



**Pacific Gas and
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June 23, 2005

Advice 2646-G

(Pacific Gas and Electric Company ID U 39 G)

**Subject: July 1, 2005 Biennial Cost Allocation Proceeding
Noncore Transportation Rate Changes and Other Tariff Changes**

Public Utilities Commission of the State of California

Pacific Gas and Electric Company (PG&E) hereby submits for filing revisions to its gas tariffs. The affected tariff sheets are listed on the enclosed Attachment I.

Purpose

The purpose of this filing is to implement revisions to PG&E's gas tariffs in compliance with Decision (D.) 05-06-029 dated June 16, 2005, for rates effective **July 1, 2005**, in PG&E's 2005 Biennial Cost Allocation Proceeding (BCAP) Application (A.) 04-07-044.

The revenue requirement adopted in D. 05-06-029 results in an annual increase of \$14.8 million to PG&E's core and noncore gas transportation revenue requirement, as a result of Commission authorization of the recovery of Self-Generation Incentive Program (SGIP) costs in BCAP rates. This filing revises noncore transportation rates and updates PG&E's gas Preliminary Statement in accordance with the BCAP decision.

Changes to PG&E's core transportation rates resulting from the BCAP are being filed concurrently this date in Advice 2645-G, in conjunction with core procurement monthly pricing.

Workpapers supporting the BCAP rate and revenue changes are shown in Attachment II.¹

BCAP Provisions

The purpose of the BCAP is to allocate authorized costs among core and noncore customers, including gas distribution-level base revenues adopted in General

¹ The rates filed in this advice letter reflect corrections to inadvertent errors in Appendix A of D. 05-06-029. An order correcting these errors is expected to be issued by the Commission.

Rate Cases (GRCs), set new gas demand forecasts and propose changes in allocation and rate design methodology. The rates adopted in the BCAP recover PG&E's gas revenue requirement over the two-year forecast period.

BCAP D. 05-06-029 adopted stipulation and settlement agreements submitted in the proceeding which included a number of rate recovery and rate design proposals to which parties agreed. The BCAP decision adopts the following provisions that impact the noncore rates and tariffs filed herein:

- Recovers \$14.8 million in Self-Generation Incentive Program (SGIP) costs from core and noncore gas transportation customers on an equal cents per therm basis in the BCAP and authorizes PG&E to seek recovery of future costs in the Annual Gas True-up of Balancing Accounts.²
- Adopts balancing account treatment for 75 percent of the noncore distribution base revenues with PG&E's risk for noncore gas distribution throughput set at 25 percent of revenues. The new Noncore Distribution Fixed Cost Account (NDFCA) recovers 75 percent of the authorized distribution base revenue requirement adopted in PG&E's GRC, including Annual Attrition Adjustments and the Cost of Capital Proceedings, that are allocated to noncore transportation customers based on the distribution marginal cost revenue allocation adopted in the BCAP. The noncore distribution allocation adopted in this BCAP is \$31 million.
- Adopts a 9 percent reduction in the forecast of gas throughput used to update core and noncore gas transportation rates, monthly core procurement rates, and annual gas Public Purpose Program (PPP) surcharge rates.
- Removes the replacement cost adder from distribution marginal costs.
- Updates balancing account balances in the Annual Gas True-up of Balancing Accounts effective each January 1, rather than in the BCAP, and every 12 months between BCAP decisions.
- Separates the Core Fixed Cost Account (CFCA) into two subaccounts. The "Distribution Cost Subaccount" recovers the distribution base revenue requirement adopted in PG&E's GRC, including Annual Attrition Adjustments and the Cost of Capital Proceedings, that are allocated to core transportation customers based on the distribution base revenue allocation adopted in the BCAP. The "Core Cost Subaccount" recovers other costs,

² The BCAP decision accepts PG&E's expenditures for the current funding period through June 30, 2005. For future funding periods, PG&E may not recover (SGIP) costs prior to a Commission review or audit of the expenditures.

including Local Transmission, adopted by the Commission in various proceedings that are allocated equally to core transportation customers.

- Recovers the core procurement portion of Canadian Capacity costs through the Core Pipeline Demand Charge Account. These costs were previously recovered through the Purchased Gas Account.
- Closes the El Paso Turned-Back Capacity Balancing Account and the Noncore Brokerage Fee Account. The balance in both of these accounts is zero.

The BCAP decision also authorizes rate design changes for core customers that are described and implemented in Advice 2545-G, in conjunction with the monthly core procurement advice filing.

Public Purpose Program (PPP)

This filing incorporates changes related to PG&E's PPP in Preliminary Statement Part C - *Gas Accounting Terms and Definitions*. These changes originally were proposed in Advice 2440-G-B filed September 20, 2004, to be effective November 1, 2004. Advice 2440-G-B, filed in compliance with D. 04-08-010, established new gas PPP surcharge balancing accounts, clarified the accounting for gas PPP surcharges, and described changes to PG&E's Preliminary Statements necessary to remove gas PPP surcharges from gas transportation rates.

Since Advice 2440-G-B is still pending Commission approval, PG&E has incorporated certain changes related to PPP to its Preliminary Statement C in previous filings; for example, in Advice 2601-G, effective January 1, 2005, Preliminary Statement Part C.2 was revised to separate the gas PPP surcharge authorized amounts from GRC base distribution revenue. In this filing, PG&E is implementing various other changes to its gas Preliminary Statement authorized in D. 05-06-029 that require revisions to Preliminary Statement Part C in order to accurately describe the transportation revenue requirement and other definitions. The revisions previously proposed in Advice 2440-G-B and filed here are definitional and do not duplicate any substantive issues related to the new gas PPP surcharge balancing accounts proposed in Advice 2440-G-B.

Until Advice 2440-G-B is approved, interim procedures have been added to the CFCA and Noncore Customer Class Charge Account (NCA) to clarify how PG&E will record ongoing gas PPP surcharge related activity until the new PPP balancing accounts are approved.

Additionally, PG&E is implementing a minor revision to the CFCA Accounting Procedure 6.a (renamed 6.a.1) previously filed in Advice 2621-G to clarify that the CARE shortfall resulting from deliveries to non-residential CARE customers under

Schedule G-CARE will be recorded in the Distribution Cost Subaccount of the CFCA.

Preliminary Statement Changes

The following revisions are being made to PG&E's gas Preliminary Statements:

Preliminary Statement Part B – Default Tariff Rate Components. A new Noncore Distribution Fixed Cost Account rate component replaces the Distribution and Base Revenue Credits (At Risk) component. The service levels under Schedule G-WSL are designated as “D” for distribution or “T” for transmission. PG&E also is revising the treatment of customer charges in the mainline extension factors.

Preliminary Statement Part C – Gas Accounting Terms and Definitions. Table C.2 is revised to remove the reference to the BCAP in the GRC/BCAP base revenues, and the GRC/BCAP Revenue Requirement is renamed “GRC Distribution Base Revenue with Adjustments and Credits.” Table C.2 also is revised for the allocation of GRC distribution base revenue between core and noncore customers adopted in this BCAP. Allocations factors on Table C.3.a are revised in accordance with the BCAP decision. The description of the Annual Gas True-up of Balancing Accounts in Part C, Section 11.b. is revised in accordance with the Stipulation and Agreement filed as Exhibit 29 and adopted in D. 05-06-029.

Revised Accounts

Preliminary Statement Part D – Purchased Gas Account (PGA), is revised to remove Canadian Capacity Costs from the Core Subaccount of the PGA. These costs will now be recovered through the Core Pipeline Demand Charge Account. The terminated Core Subscription Subaccount is deleted from the PGA, and the balance in this subaccount will be transferred to the Core Subscription Phase-Out Account and refunded to core subscription customers pursuant to a Refund Plan advice letter.

Preliminary Statement Part F – Core Fixed Cost Account (CFCA), is revised to establish two subaccounts. The Distribution Cost Subaccount will recover costs such as gas distribution base revenue that are allocated to core customers on an equal percentage of marginal cost basis. The Core Cost Subaccount will recover costs allocated on an equal cents per therm basis to all core customers such as local transmission costs and most balancing account balances that are updated in the Annual Gas True-up of Balancing Accounts. The June 30, 2005, recorded balance in the CFCA will be allocated to the Distribution Cost Subaccount. As described above, the core portion of gas PPP surcharge activity will be recorded in the Distribution Cost

Subaccount of the CFCA until separate gas PPP surcharge balancing accounts are approved in Advice 2440-G-B or other related advice filing.

Preliminary Statement Part AE – Core Pipeline Demand Charge Account (CPDCA), is revised to recover the Canadian capacity costs allocated to core procurement customers in the Core Demand Charge Subaccount of the CPDCA.

Preliminary Statement Part AW – Self Generation Program Memorandum Account (SGPMA), is revised in accordance with D. 05-06-029 to recover \$14.8 million in costs that the CPUC has approved in BCAP rates for all of PG&E's gas customers. Future SGIP costs approved by the CPUC will be recovered on an ongoing basis in the Annual Gas True-up of Balancing Accounts each January 1. The balance will be transferred to the Core Cost Subaccount of the CFCA and the Noncore Subaccount of the Noncore Customer Class Charge Account (NCA) for recovery in rates.

New Preliminary Statement Part BL

Preliminary Statement Part BL – Noncore Distribution Fixed Cost Account (NDFCA), is established to allow PG&E to recover 75 percent of PG&E's noncore distribution base revenues with PG&E's risk for noncore gas distribution throughput set at 25 percent of revenues. Disposition of the balance in this account will be determined in the Annual Gas True-up of Balancing Accounts.

Discontinuation of Preliminary Statements Part I and AZ

In this filing, PG&E is discontinuing Preliminary Statement Part I – *Noncore Brokerage Fee Balancing Account (NBFBA)*, and Preliminary Statement Part AZ – *El Paso Turned Back Capacity Balancing Account (EPTBCBA)*. Discontinuation of these accounts has no impact on rates as the balances in the accounts are zero.

Other Preliminary Statement Revisions

Gas Transportation Balancing Account balances will now be updated in Annual Gas True-up filings for rates effective January 1, rather than updating balances in the BCAP, for costs that have been approved by the CPUC to be recovered in rates. Text revisions have been made to a number of the Preliminary Statements consistent with this provision adopted in D. 05-06-029, as follows: Preliminary Statement Part F – *Core Fixed Cost Account (CFCA)*, Preliminary Statement Part J – *Noncore Customer Class Charge Account (NCA)*, Preliminary Statement Part K – *Enhanced Oil Recovery Account (EORA)*, Preliminary Statement Part L – *Balancing Charge Account (BCA)*, Preliminary Statement Part Q – *Affiliate Transfer Fees Account (ATFA)*, Preliminary

Statement Part U – *Core Brokerage Fee Balancing Account (CBFBA)*, Preliminary Statement Part X – *Natural Gas Vehicle Balancing Account (NGVBA)*, and Preliminary Statement Part AN – *Hazardous Substance Mechanism (HSM)*.

Rate Schedule Revisions

Schedule G-WSL – *Gas Transportation Service to Wholesale/Resale Customers*, is revised to designate service levels as “D” for distribution or “T” for transmission. In this BCAP, distribution level transportation rates have been established for West Coast - Mather and West Coast - Castle.

Schedule G-CT – *Core Gas Aggregation Service*, is revised to update the January “Contract Quantities” section for PG&E’s January forecasted core throughput adopted in the BCAP.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than 20 days after the date of this filing, which is **July 13, 2005**. Protests should be mailed to:

CPUC Energy Division
Attention: Tariff Unit, 4th Floor
505 Van Ness Avenue
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: jjr@cpuc.ca.gov and jnj@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission:

Pacific Gas and Electric Company
Attention: Brian Cherry
Director, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-7226
E-mail: PGETariffs@pge.com

Effective Date

In accordance with D. 05-06-029, PG&E requests that this advice filing become effective on regular notice, **July 1, 2005**.

Notice

In accordance with General Order 96-A, Section III, Paragraph G, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service list for Application (A.) 04-07-044. Supporting workpapers for this filing are available upon written request to: Pacific Gas and Electric Company, Regulatory Relations Department, Attention: Rose de la Torre, 77 Beale Street, Mail Code B10B, P.O. Box 770000, San Francisco, CA 94177. Address changes should be directed to Rose de la Torre at (415) 973-4716. Advice letter filings can also be accessed electronically at:

<http://www.pge.com/tariffs>

Brian K. Cherry/ss

Director, Regulatory Relations

Attachments

cc: Service List – BCAP Application 04-07-044

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. Pacific Gas and Electric Company (ID U39)

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Susan Shaw

Phone #: (415) 973-7375

E-mail: sxs9@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
PLC = Pipeline HEAT = Heat WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 2646-G

Subject of AL: July 1, 2005, Biennial Cost Allocation Proceeding Noncore Transportation Rate Changes and other Tariff Changes

Keywords (choose from CPUC listing): BCAP, NONCORE, TRANSPORTATION

AL filing type: Monthly Quarterly Annual One-Time Other Biennial

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Decision 05-06-029

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL¹: _____

Resolution Required? Yes No

Requested effective date: 7/1/2005

No. of tariff sheets: 48

Estimated system annual revenue effect: (%): Annual Increase of \$14.8 million to PG&E's core and noncore gas transportation revenue requirement as a result of Commission authorization of the recovery of Self-Generation Incentive Program costs in BCAP rates.

Estimated system average rate effect (%): See attached workpapers attached for average rate changes.

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: Preliminary Statements and Gas Noncore Rate Schedules

Service affected and changes proposed¹: Rate changes for noncore customers on Schedules G-NT, G-EG, G-WSL, G-LNG, and G-NGV4 in PG&E's Biennial Cost Allocation Proceeding.

Pending advice letters that revise the same tariff sheets: Advice 2440-G-B

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Attention: Tariff Unit

505 Van Ness Ave.,

San Francisco, CA 94102

jjr@cpuc.ca.gov and jnj@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Brian K. Cherry

Director, Regulatory Relations

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

¹ Discuss in AL if more space is needed.

**ATTACHMENT 1
Advice 2646-G**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
23248-G	Preliminary Statement Part B--Default Tariff Rate Components	23044-G
23249-G	Preliminary Statement Part B (Cont.)	23045-G
23250-G	Preliminary Statement Part B (Cont.)	22877-G
23251-G	Preliminary Statement Part B (Cont.)	22878-G
23252-G	Preliminary Statement Part B (Cont.)	22879-G
23253-G	Preliminary Statement Part B (Cont.)	23046-G
23254-G	Preliminary Statement Part B (Cont.)	23047-G
23255-G	Preliminary Statement Part B (Cont.)	23048-G
23256-G	Preliminary Statement Part B (Cont.)	22974-G
23257-G	Preliminary Statement Part C--Gas Accounting Terms and Definitions	22025-G
23258-G	Preliminary Statement Part C (Cont.)	22885-G
23259-G	Preliminary Statement Part C (Cont.)	22645-G
23260-G	Preliminary Statement Part C (Cont.)	20845-G
23261-G	Preliminary Statement Part C (Cont.)	21964-G
23262-G	Preliminary Statement Part C (Cont.)	22132-G
23263-G	Preliminary Statement Part D--Purchased Gas Account	20847-G
23264-G	Preliminary Statement Part D (Cont.)	22123-G
23265-G	Preliminary Statement Part D (Cont.)	20848-G
23266-G	Preliminary Statement Part F--Core Fixed Cost Account	22887-G
23267-G	Preliminary Statement Part F (Cont.)	22888-G
23268-G	Preliminary Statement Part F (Cont.)	New
DELETEDe	Preliminary Statement Part I – Noncore Brokerage Fee Balancing Account	18061-G

**ATTACHMENT 1
Advice 2646-G**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
23269-G	Preliminary Statement Part J--Noncore Customer Class Charge Account	22889-G
23270-G	Preliminary Statement Part J (Cont.)	20852-G
23271-G	Preliminary Statement Part J (Cont.)	22890-G
23272-G	Preliminary Statement Part K--Enhanced Oil Recovery Account	17360-G
23273-G	Preliminary Statement Part L--Balancing Charge Account	22031-G
23274-G	Preliminary Statement Part L (Cont.)	22032-G
23275-G	Preliminary Statement Part Q--Affiliate Transfer Fees Account	19459-G
23276-G	Preliminary Statement Part U--Core Brokerage Fee Balancing Account	18065-G
23277-G	Preliminary Statement Part X--Natural Gas Vehicle Balancing Account	22498-G
23278-G	Preliminary Statement Part AE--Core Pipeline Demand Charge Account	22342-G
23279-G	Preliminary Statement Part AE (Cont.)	22343-G
23280-G	Preliminary Statement Part AG--Core Firm Storage Account	22370-G
23281-G	Preliminary Statement Part AN--Hazardous Substance Mechanism	16979-G
23282-G	Preliminary Statement Part AN (Cont.)	16980-G
23283-G	Preliminary Statement Part AN (Cont.)	16692-G
23284-G	Preliminary Statement Part AW--Self-Generation Program Memorandum Account	20984-G
DELETE	Preliminary Statement Part AZ—El Paso Turned Back Capacity Balancing Account	21378-G
DELETE	Preliminary Statement Part AZ (Cont.)	21379-G
DELETE	Preliminary Statement Part AZ (Cont.)	21380-G

**ATTACHMENT 1
Advice 2646-G**

Cal P.U.C. Sheet No.	Title of Sheet	Cancelling Cal P.U.C. Sheet No.
23285-G	Preliminary Statement Part BL--Noncore Distribution Fixed Cost Account	New
23286-G	Rate Schedule G-NT--Gas Transportation Service to Noncore End-Use Customers	23049-G
23287-G	Rate Schedule G-EG--Gas Transportation Service to Electric Generation	22977-G
23288-G	Rate Schedule G-WSL--Gas Transportation Service to Wholesale/Resale Customers	22896-G
23289-G	Rate Schedule G-CT--Core Gas Aggregation Service	22152-G
23290-G	Rate Schedules--G-NGV4--Experimental Gas Transportation Service to Noncore Natural Gas Vehicles	23052-G
23291-G	Rate Schedule G-LNG--Experimental Liquefied Natural Gas Service	23053-G
23292-G	Table of Contents--Preliminary Statements (Cont'd.)	23154-G
23293-G	Table of Contents--Preliminary Statements	23179-G
23294-G	Table of Contents--Rate Schedules (Cont'd.)	23180-G
23295-G	Table of Contents--Rate Schedules	23181-G



PRELIMINARY STATEMENT
(Continued)

B. DEFAULT TARIFF RATE COMPONENTS (\$/THERM) (Cont'd.)

NONCORE p. 1

THERMS:	G-NT	G-NT—DISTRIBUTION			
	TRANSMISSION	SUMMER			
		0- 20,833	20,834- 49,999	50,000- 166,666	166,667- 249,999*
NCA	(0.00363) (I)	(0.01258) (I)	(0.01258) (I)	(0.01259) (R)	(0.01259) (I)
GRC INTERIM ACCT	0.00001 (I)	0.00311 (R)	0.00311 (R)	0.00311 (R)	0.00311 (R)
CPUC FEE	0.00000	0.00000	0.00000	0.00000	0.00000
EOR	0.00000	0.00001	0.00001	0.00001	0.00001
CEE	0.00000	0.00001 (R)	0.00001 (R)	0.00001 (R)	0.00001 (R)
LOCAL TRANSMISSION (AT RISK)	0.01474	0.01474	0.01474	0.01474	0.01474
NONCORE DISTRIBUTION FIXED COST ACCOUNT	0.00469 (I)	0.09988 (I)	0.06444 (R)	0.05888 (R)	0.05646 (I)
TOTAL RATE	0.01581 (I)	0.10517 (I)	0.06973 (R)	0.06416 (R)	0.06174 (I)

(T)
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(T)

* Rate components for G-NT Distribution over 249,999 therms are the same as G-NT Transmission.

(Continued)



PRELIMINARY STATEMENT
(Continued)

B. DEFAULT TARIFF RATE COMPONENTS (\$/THERM) (Cont'd.)

NONCORE p. 2

	G-NT	G-NT—DISTRIBUTION			
	BACKBONE	WINTER			
THERMS:		0- 20,833	20,834- 49,999	50,000- 166,666	166,667- 249,999*
NCA	(0.00363) (I)	(0.01368) (I)	(0.01368) (I)	(0.01367) (I)	(0.01367) (I)
GRC INTERIM ACCT	0.00000	0.00420 (R)	0.00420 (R)	0.00420 (R)	0.00420 (R)
CPUC FEE	0.00000	0.00000	0.00000	0.00000	0.00000
EOR	0.00000	0.00001	0.00001	0.00001	0.00001
CEE	0.00000	0.00001 (R)	0.00001 (R)	0.00001 (R)	0.00001 (R)
LOCAL TRANSMISSION (AT RISK)	0.00000	0.01474	0.01474	0.01474	0.01474
NONCORE DISTRIBUTION FIXED COST ACCOUNT	0.00035 (I)	0.13472 (I)	0.08688 (R)	0.07936 (R)	0.07609 (I) (T)
TOTAL RATE	(0.00328) (I)	0.14000 (I)	0.09216 (R)	0.08465 (R)	0.08138 (I)

* Rate components for G-NT Distribution over 249,999 therms are the same as G-NT Transmission.

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PRELIMINARY STATEMENT
(Continued)

B. DEFAULT TARIFF RATE COMPONENTS (\$/THERM) (Cont'd.)

NONCORE p. 3

	<u>G-EG (3)*</u>	<u>G-EG BACKBONE</u>	
NCA	0.00157 (I)	0.00157 (I)	
GRC INTERIM ACCT	0.00006 (I)	0.00006 (I)	
CPUC FEE	0.00000	0.00000	
EOR	0.00000	0.00000	
CEE	0.00000	0.00000	
LOCAL TRANSMISSION (AT RISK)	0.01474	0.00000	
NONCORE DISTRIBUTION FIXED COST ACCOUNT	0.00181 (I)	0.00181 (I)	(T) (T)
TOTAL RATE	<u>0.01818 (I)</u>	<u>0.00344 (I)</u>	

* Refer to footnotes at end of Noncore Default Tariff Rate Components.

(Continued)



PRELIMINARY STATEMENT
(Continued)

B. DEFAULT TARIFF RATE COMPONENTS (\$/THERM) (Cont'd.)

NONCORE p. 4

	G-WSL				(T)
	Palo Alto-T	Coalinga-T	Island Energy-T	Alpine-T	
NCA	0.00157 (I)	0.00157 (I)	0.00157 (I)	0.00157 (I)	
GRC INTERIM ACCT	0.00000	0.00000	0.00000	0.00000	
CPUC FEE*	0.00000	0.00000	0.00000	0.00000	
EOR	0.00000	0.00000	0.00000	0.00000	
CEE	0.00000	0.00000	0.00000	0.00000	
LOCAL TRANSMISSION (AT RISK)	0.01474	0.01474	0.01474	0.01474	
NONCORE DISTRIBUTION FIXED COST ACCOUNT	0.00035 (I)	0.00035 (I)	0.00035 (I)	0.00035 (I)	(T) (T)
TOTAL RATE	0.01666 (I)	0.01666 (I)	0.01666 (I)	0.01666 (I)	

* The CPUC Fee does not apply to customers on Schedule G-WSL.

(Continued)



PRELIMINARY STATEMENT
(Continued)

B. DEFAULT TARIFF RATE COMPONENTS (\$/THERM) (Cont'd.)

NONCORE p. 5

	G-WSL			
	West Coast Mather-T	(N)-----(N) West Coast Mather-D	West Coast Castle-D	
NCA	0.00157 (I)	0.00524 (R)	0.00157 (I)	(T)
GRC INTERIM ACCT	0.00000	0.00000	0.00000	
CPUC FEE*	0.00000	0.00000	0.00000	
EOR	0.00000	0.00000	0.00000	
CEE	0.00000	0.00000	0.00000	
LOCAL TRANSMISSION (AT RISK)	0.01474	0.01474	0.01474	
NONCORE DISTRIBUTION FIXED COST ACCOUNT	0.00035 (I)	0.00814	0.00864 (I)	(T) (T)
TOTAL RATE	0.01666 (I)	0.02812	0.02495 (I)	

* The CPUC Fee does not apply to customers on Schedule G-WSL.

(Continued)



PRELIMINARY STATEMENT
(Continued)

B. DEFAULT TARIFF RATE COMPONENTS (\$/THERM) (Cont'd.)

NONCORE p. 6

THERMS:	G-NGV4 (1)* TRANSMISSION	G-NGV4—DISTRIBUTION (1)* SUMMER			
		0- 20,833	20,834- 49,999	50,000- 166,666	166,667- 249,999
NCA	0.00000	0.00000	0.00000	0.00000	0.00000
GRC INTERIM ACCT	0.00000	0.00000	0.00000	0.00000	0.00000
CPUC FEE	0.00000	0.00000	0.00000	0.00000	0.00000
EOR	0.00000	0.00000	0.00000	0.00000	0.00000
CEE	0.00000	0.00000	0.00000	0.00000	0.00000
NGV BALANCING ACCOUNT	0.01581 (I)	0.10517 (I)	0.06973 (R)	0.06416 (R)	0.06174 (R)
LOCAL TRANSMISSION (AT RISK)	0.00000	0.00000	0.00000	0.00000	0.00000
NONCORE DISTRIBUTION FIXED COST ACCOUNT	0.00000	0.00000	0.00000	0.00000	0.00000 (T) (T)
TOTAL RATE	0.01581 (I)	0.10517 (I)	0.06973 (R)	0.06416 (R)	0.06174 (I)

* Refer to footnotes at end of Noncore Default Tariff Rate Components.

(Continued)



PRELIMINARY STATEMENT
(Continued)

B. DEFAULT TARIFF RATE COMPONENTS (\$/THERM) (Cont'd.)

NONCORE p. 7

THERMS:	G-NGV4 (1)* BACKBONE	G—NGV4-DISTRIBUTION (1)*			
		WINTER			
		0- 20,833	20,834- 49,999	50,000- 166,666	166,667 249,999
NCA	0.00000	0.00000	0.00000	0.00000	0.00000
GRC INTERIM ACCT	0.00000	0.00000	0.00000	0.00000	0.00000
CPUC FEE	0.00000	0.00000	0.00000	0.00000	0.00000
EOR	0.00000	0.00000	0.00000	0.00000	0.00000
CEE	0.00000	0.00000	0.00000	0.00000	0.00000
NGV BALANCING ACCOUNT	(0.00328) (I)	0.14000 (I)	0.09216 (R)	0.08465 (R)	0.08138 (I)
LOCAL TRANSMISSION (AT RISK)	0.00000	0.00000	0.00000	0.00000	0.00000
NONCORE DISTRIBUTION FIXED COST ACCOUNT	0.00000	0.00000	0.00000	0.00000	0.00000
TOTAL RATE	(0.00328) (I)	0.14000 (I)	0.09216 (R)	0.08465 (R)	0.08138 (I)

(T)
(T)

* Refer to footnotes at end of Noncore Default Tariff Rate Components.

(Continued)



PRELIMINARY STATEMENT
(Continued)

B. DEFAULT TARIFF RATE COMPONENTS (\$/THERM) (Cont'd.)

NONCORE p. 8

	<u>G-LNG (1)*</u>	
NCA	0.00000	
GRC INTERIM ACCT	0.00000	
CPUC Fee	0.00000	
EOR	0.00000	
CEE	0.00000	
NGV BALANCING ACCOUNT	0.15501 (I)	
LOCAL TRANSMISSION (AT RISK)	0.00000	
NONCORE DISTRIBUTION FIXED COST ACCOUNT	0.00000	(T) (T)
 TOTAL RATE	 <u>0.15501 (I)</u>	

* Refer to footnotes at end of Noncore Default Tariff Rate Components.

(Continued)



PRELIMINARY STATEMENT
(Continued)

B. DEFAULT TARIFF RATE COMPONENTS (\$/THERM) (Cont'd.)

MAINLINE EXTENSION FACTORS (1)

<u>Core Schedules (2)(3)</u>	<u>Mainline Extension Rate (\$/Therm)</u>	(T)
Schedule G-NR1	0.22516 (I)	
Schedule G-NR2	0.06012 (R)	
Schedule G-NGV1	0.02509 (R)	
Schedule G-NGV2	0.02509 (R)	
 <u>Noncore Schedules</u>		
Schedule G-NT (4)		(T)
Distribution	0.07428 (R)	
Local Transmission	0.00434 (I)	
Backbone	0.00000	
Schedule G-EG (4)		(T)
Distribution	0.00145 (I)	
Local Transmission	0.00145 (I)	
Backbone	0.00145 (I)	
Schedule G-NGV4 (4)		(T)
Distribution	0.07428 (R)	
Local Transmission	0.00434 (I)	
Backbone	0.00000	
 <u>Noncore Customer Access Charges (G-NT, G-EG and G-NGV4) (5)</u>	<u>Average Monthly Use (Therms)</u>	(N)
	<u>\$ Per Day</u>	
	0-5,000	1.94663
	5,001 – 10,000	5.79814
	10,001 – 50,000	10.79178
	50,001 – 200,000	14.16296
	200,001 – 1,000,000	20.54926
	1,000,001 and above	174.31134
		(N)

- (1) Mainline Extension Factors are required to support calculation of distribution-based revenues described in Rule 15.
- (2) For all residential schedules, see Rule 15 for extension allowances.
- (3) The per-therm MLX rate includes the core customer charges. (N)
- (4) The per therm MLX rate excludes the noncore customer access charges. (N)
- (5) Noncore Customer Access Charge in addition to the MLX rate specified above. (N)

(Continued)



PRELIMINARY STATEMENT
(Continued)

C. GAS ACCOUNTING TERMS AND DEFINITIONS

These accounting terms and definitions are used in the gas revenue requirement and accounting procedure descriptions that follow in this Preliminary Statement. They are consistent with and apply to PG&E's Gas Rate Schedules and Rules. Additional definitions can be found in Rule 1.

1. **BALANCING ACCOUNT:** In the context of this tariff, a balancing account is an account in which:
 - a. expenses are compared with revenues from rates designed to recover those expenses, or
 - b. forecast expenses are compared with recorded expenses, or
 - c. forecast revenues are compared with recorded revenues.

The resulting under- or overcollection, plus interest, is recorded on PG&E's financial statements as an asset or liability, which is owed from or due to the ratepayers. Balances in balancing accounts, plus interest, are to be amortized in rates.

2. **BASE REVENUE AND AUTHORIZED FUNDING AMOUNTS:** The GRC Distribution Base Revenue Amount is the annual operating revenue, less other operating revenue adopted in the General Rate Case (GRC) or other proceedings. (T)

Adjustments and credits to GRC Base Revenues were approved in various CPUC decisions. In Decision 05-06-029, the CPUC adopted specific levels of Enhanced Oil Recovery (EOR) revenue. In Decision 04-12-050, the CPUC revised the core brokerage fee authorized in Decision 97-08-055. Adjustments for G-10 employee discounts are revised when the CPUC authorizes revisions to illustrative residential core procurement rates in the BCAP or other proceedings. The currently effective GRC Distribution Base Revenue Amount (with adjustments and credits) is shown in Table C.2. (T)

The Gas Accord Base Revenues are comprised of Local Transmission, Backbone Transmission, Storage and transmission-level customer access adopted in Gas Accord Decision 04-12-050. The currently effective Gas Accord Revenue Requirement is shown in Table C.2. (T)

The Public Purpose Program (PPP) authorized funding includes amounts for Energy Efficiency (EE) and Low Income Energy Efficiency (LIEE) Programs, public interest Research, Development and Demonstration (RD&D), State Board of Equalization (BOE) and CPUC Surcharge Administration Fees, and California Alternate Rates for Energy (CARE) Administrative Expenses. PPP-authorized funding and the subsidy for CARE customers are recovered through the gas PPP surcharge, as authorized by Public Utilities Code Sections 890-900, Resolution G-3303 and Decision 04-08-010.* The currently authorized PPP funding amounts are shown in Table C.2. (N)

* Decision 04-08-010 determined that franchise fees and uncollectible accounts expense (FF&U) should not be included in the calculation of gas PPP surcharges. (N)

(Continued)



PRELIMINARY STATEMENT
(Continued)

C. GAS ACCOUNTING TERMS AND DEFINITIONS (Cont'd.)
2. BASE REVENUE AND AUTHORIZED FUNDING AMOUNTS: (Cont'd.)

Amount (\$000)

Description	Core	Noncore	Unbundled	Total
GRC BASE REVENUES (1):				
Authorized GRC Distribution Base Revenue	-	-		963,423
Less: Other Operating Revenue	-	-		(16,300)
Authorized GRC Distribution Base Revenues in Rates	916,130 (I)	30,993 (R)		947,123
BCAP ALLOCATION ADJUSTMENTS AND CREDITS TO BASE:				
G-10 Allocated Employee Discount	1,060 (I)	1,468 (I)		2,528 (I)
EOR Revenue	0 (I)	0 (I)		0 (I)
Core Brokerage Fee	(8,982) (R)	0 (I)		(8,982) (R)
GRC DISTRIBUTION BASE REVENUE WITH ADJUSTMENTS AND CREDITS	908,208 (I)	32,461 (R)		940,669 (I)
GAS ACCORD REVENUE REQUIREMENT				
Local Transmission	102,042	43,664		145,706
Customer Access Charge – Transmission		4,953		4,953
Storage (2)	41,488		7,331	48,819
Backbone Transmission (2)	70,541		71,678	142,219
L401 (PEP)			85,677	85,677
GAS ACCORD REVENUE REQUIREMENT	214,071	48,617	164,686	427,374
PUBLIC PURPOSE PROGRAM AUTHORIZED FUNDING (excludes CARE Shortfall(3)):				
Energy Efficiency				20,849
Low Income Energy Efficiency				29,192
Research, Development and Demonstration				-
BOE/CPUC Admin. Fee				174
CARE Administrative Expense				1,607
PUBLIC PURPOSE PROGRAM AUTHORIZED FUNDING				51,822

- (1) The GRC Distribution Base Revenue includes Distribution Base Revenue adopted in the General Rate Case and allocated to core and noncore Customers in Cost Allocation Proceedings, as shown in Part C.3.a. The authorized GRC amount includes the distribution base revenue approved effective January 1, 2003, in D.04-05-055, Cost of Capital adjustments authorized in D.04-12-047, effective January 1, 2005, and attrition adjustment amounts approved effective January 1, 2004, in AL 2499-G-B, and January 1, 2005, in AL 2580-G. (T)
- (2) The Gas Accord III D.04-12-050 adopted revenue requirements effective January 1, 2005, include an adjustment for Cost of Capital authorized in D.04-12-047. Storage revenues allocated to load balancing are included in unbundled transmission rates. (T)
- (3) The Public Purpose Program authorized funding includes 2004 PY LIEE program funding adopted in D.03-11-020, Energy Efficiency program funding adopted in D.03-08-067 and D.04-12-019, CARE annual administration budget adopted in D.02-09-021, BOE and CPUC administrative fees adopted in D.04-08-010, and excludes Franchise Fees and Uncollectible Accounts Expense, per D.04-08-010.

(Continued)



PRELIMINARY STATEMENT
(Continued)

C. GAS ACCOUNTING TERMS AND DEFINITIONS (Cont'd.)

3. COST ALLOCATION FACTORS:

- a. General: These factors are derived from the core and noncore costs adopted in the last Cost Allocation Proceeding and are used to allocate recorded costs to customer classes.

Cost Category	Factor			Total	
	Core	Noncore	Unbundled Storage		
Distribution Base Revenue	0.967277 (C)	0.032723 (C)		1.000000	
Intervenor Compensation	0.967277 (C)	0.032723 (C)		1.000000	
Other – Equal Distribution Based on All Transportation Volumes	0.419158	0.580842		1.000000	(N) (N)
Carrying Cost on Non-cycled Gas in Storage*	0.875000		0.125000	1.000000	

* Excluding Non-cycled Gas in Storage which is allocated to system load balancing and recovered through transmission rates.

- b. Pacific Gas and Electric Gas Transmission Northwest (PG&E GT-NW) and Intrastate Pipeline Demand Charges: Factors are derived based on the procedures defined in Decisions 91-11-025 and 97-05-093.

- 1) The core procurement factor will be equal to the capacity reserved for core procurement customers on each pipeline divided by the total capacity held by PG&E on that pipeline.
- 2) The core transport factor will be equal to the capacity reserved for core transport customers on each pipeline divided by the total capacity held by PG&E on that pipeline.

4. COST ALLOCATION PROCEEDING: The proceeding in which the Revenue Requirement, excluding the Revenue Requirement for Transmission and Storage, as described in Section C.10 below, is allocated between customer classes and included in rates. This proceeding is currently a biennial proceeding pursuant to CPUC Decision No. 90-09-089.
5. FORECAST PERIOD OR TEST PERIOD: The 24-month period, beginning with the revision date as specified in the Cost Allocation Proceeding.

(Continued)



PRELIMINARY STATEMENT
(Continued)

C. GAS ACCOUNTING TERMS AND DEFINITIONS (Cont'd.)

10. REVENUE REQUIREMENT (Cont'd.)

- c. The Transportation Revenue Requirement includes the core and noncore GRC Distribution Base Revenue Amounts (with credits and adjustments)*, forecast expenses, and balancing and memorandum account balances, with interest, as listed below. These amounts are recovered through distribution rates and the Customer Class Charge. (T)
- 1) GRC Distribution Base Revenue Amount (with credits and adjustments): This shall be the GRC Distribution Base Revenue amount, with credits and adjustments as shown in Section C.2. (T)
- 2) Natural Gas Vehicle (NGV) Expense: This shall be the total NGV expense not included in the GRC Base Revenue Amount, excluding procurement, expected to occur during the forecast period. (T)
- 3) CPUC Reimbursement Fee Expense: This is the amount equal to the CPUC-adopted reimbursement rate, described in Preliminary Statement, Part O, multiplied by the total forecast period deliveries excluding interdepartmental, wholesale, interutility, and UEG deliveries. (D)
- 4) Core Fixed Cost Account (CFCA) Balance: This is the forecast revision date balance in the CFCA, described in Preliminary Statement, Part F, based on the latest recorded data available. (T)
- 5) Noncore Distribution Fixed Cost Account (NDFCA) Balance: This is the forecast revision-date balance in the NDFCA, described in Preliminary Statement Part BL, based on the latest recorded data available. (N)
- 6) Noncore Customer Class Charge Account (NCA) Balance: This is the forecast revision-date balance in the NCA, described in Preliminary Statement, Part J, based on the latest recorded data available. (T)
- 7) Enhanced Oil Recovery Account (EORA) Balance: This is the forecast revision-date balance in the EORA, described in Preliminary Statement, Part K, based on the latest recorded data available. (T)

(Continued)



PRELIMINARY STATEMENT
(Continued)

C. GAS ACCOUNTING TERMS AND DEFINITIONS (Cont'd.)

10. REVENUE REQUIREMENT (Cont'd.)

c. Transportation Revenue Requirement (Cont'd.)

- | | | |
|-----|---|-----------------|
| | | (D) |
| 8) | <u>Natural Gas Vehicle Balancing Account (NGVBA) Balance:</u> This is the forecast revision-date balance in the NGVBA, described in Preliminary Statement, Part X, based on the latest recorded data available. | (T) |
| 9) | <u>Hazardous Substance Mechanism (HSM) Balance:</u> This is the forecast revision-date balance in the HSM, as described in Preliminary Statement, Part AN, based on the latest recorded data available. | (T) |
| 10) | <u>Customer Energy Efficiency Incentive Account (CEEIA) Balance:</u> This is the forecast revision-date balance in the CEEIA, as described in Preliminary Statement, Part Y, based on the latest recorded data available. | (T) |
| 11) | <u>Core Pipeline Demand Charge Account (CPDCA) Balance:</u> This is the forecast revision-date balance in the PG&E GT-NW Credit Subaccount and the Core Transport Interstate Transition Subaccount of the CPDCA, as described in Preliminary Statement, Part AE, based on the latest recorded data available. | (T) |
| 12) | <u>Core Brokerage Fee Balancing Account (CBFA) Balance:</u> This is the forecast revision-date balance in the CBFA described in Preliminary Statement, Part U, based on the latest recorded data available. | (T) |
| 13) | <u>Affiliate Transfer Fees Account (ATFA) Balance:</u> This is the forecast revision-date balance in the ATFA described in Preliminary Statement Part Q, based on the latest recorded data available. | (N)

(N) |
| 14) | <u>Self-Generation Program Memorandum Account (SGIP) Balance:</u> This is the forecast revision-date balance in the SGIP described in Preliminary Statement, Part AW, based on the latest recorded data available. | (N)

(N) |
| | | (D) |
| 15) | <u>El Paso Settlement Memorandum Account (EPSMA) Balance:</u> This is the forecast revision-date balance in the EPSMA described in Preliminary Statement, Part BE, based on the latest recorded data available. | (T) |
| 16) | <u>Franchise Fees and Uncollectible Accounts Expense (F&U):</u> The amount to be added for F&U shall be determined by multiplying the sum of Sections C.10.c.4.a through C.10.c.15, above, by the applicable F&U factor. | (T)

(T) |

(Continued)



PRELIMINARY STATEMENT
(Continued)

C. GAS ACCOUNTING TERMS AND DEFINITIONS (Cont'd.)

10. PROCUREMENT REVENUE REQUIREMENT (Cont'd.)

- 9) Core Firm Storage Account (CFSA): The revenue requirement will include the forecast revision-date balance in the CFSA, described in Preliminary Statement, Part AG, based on the latest recorded data available.
- 10) Core Storage Revenue Requirement: This is the core storage amount shown in the Gas Accord base revenue in C.2, above.
- 11) Brokerage Fee Revenue Requirement: This is the amount credited to the GRC Distribution Base Revenue in C.10.c.1, above. (T)
- 12) Franchise Fees and Uncollectible Accounts Expense (F&U): The amount to be added for F&U shall be determined by multiplying the sum of C.10.d.1 through C.10.d.9, above. (T)

11. REVISION DATES: PG&E's application for the Biennial Cost Allocation Proceeding (BCAP) shall be filed based on a schedule set forth by the CPUC. PG&E's Procurement rate shall be updated monthly.

a. Core Procurement Rate Change

Per Decision 97-10-065, an advice filing to change core procurement rates will be filed monthly. The filing will update certain forecasted procurement costs and the amortization component of the procurement rate. PG&E will continue to provide a Weighted Average Cost of Gas (WACOG) forecast in its BCAP for ratemaking purposes.

Per Decision 03-12-008, noncore customers switching to core service are subject to a crossover procurement rate, as specified in Schedule G-CPX, for the first twelve (12) regular monthly billing periods. Schedule G-CPX is filed by advice letter monthly.

b. Annual Gas True-up of Balancing Accounts (AGT) (T)

Per Decision 05-06-029, an advice filing to change core and noncore transportation rates will be filed 45 days prior to the end of each calendar year for rates effective January 1. The filing will update the customer class charge components of transportation rates to recover all transportation-related balancing and memorandum account balances for costs that the Commission has authorization to be recovered in rates. (T)

To determine the change in the customer charge components of transportation rates, PG&E will rely on the following: (T)

- 1) The December 31 forecasted balance for each transportation balancing and memorandum account to be updated in the AGT will be determined based on the most recent recorded balance plus a forecast of the costs and revenues, including interest, through December 31. (T)
- 2) The customer class charge components will be calculated by dividing the forecasted December 31 balancing account balances by the annual average adjusted BCAP throughput. (T)

(Continued)



PRELIMINARY STATEMENT
(Continued)

D. PURCHASED GAS ACCOUNT (PGA)

- 1. **PURPOSE:** The purpose of the PGA is to record the cost associated with gas purchased for the Gas Supply Portfolio and revenues from the sale of that gas. The balance in the core sub-accounts will be incorporated into monthly core procurement rates.

Descriptions of the terms and definitions used in this section are found in Preliminary Statement, Part C or in Rule 1.

- 2. **APPLICABILITY:** The PGA balance applies to all gas procurement rate schedules and contracts subject to the jurisdiction of the CPUC, except for those schedules and contracts specifically excluded by the CPUC.

- 3. **REVISION DATE:** The revision date applicable to the PGA rate shall coincide with the monthly core procurement rate change or at other times, as ordered by the CPUC. (T)

- 4. **FORECAST PERIOD:** The forecast test period will be as specified in the current Cost Allocation Proceeding. (T)

- 5. **PGA RATES:** PGA Rates are included in the effective procurement rates set forth in each procurement rate schedule (see Preliminary Statement, Part B), as applicable.

- 6. **ACCOUNTING PROCEDURE:** The PGA consists of the following subaccounts:

The "Core Subaccount" records the cost of gas procured for sale to core customers and revenues from the sales to core customers of that gas. (See Preliminary Statement Part C.7.)

The "Core Shrinkage Subaccount" records core shrinkage costs and shrinkage revenues from core procurement customers.

(D)



PRELIMINARY STATEMENT
(Continued)

D. PURCHASED GAS ACCOUNT (PGA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

PG&E shall maintain the PGA by making entries to the subaccounts as follows:

a. Core Subaccount

The following entries will be made to this subaccount each month:

- 1) A debit entry equal to the core portion of the recorded gas costs in the Gas Supply Portfolio during the month. The "core portion" is defined as the total cost of flowing supply during the month, (a) less the cost of gas injected into storage, (b) plus the cost of gas withdrawn from storage, (c) less the cost of gas sold to customers with negative imbalances under Schedule G-BAL during the Schedule G-BAL Transition Period; (D)
- 2) A debit entry equal to the involuntary diversion usage charges incurred by the core; (T)
- 3) A debit entry equal to the carrying costs on cycled gas in storage; (T)
- 4) An annual debit or credit entry equal to the core portion of the cost or benefit resulting from the CPIM; (T)
- 5) A credit entry equal to the Procurement Charge revenues from the sale of gas to core procurement customers delivered during the month, excluding the allowance for Franchise Fees and Uncollectible Accounts Expense (F&U); (T)
- 6) A credit entry equal to the core procurement portion of the consideration received by PG&E for core gas customers from the El Paso Natural Gas Company (El Paso) Settlement approved by the FERC. Pursuant to CPUC Decision 03-10-087, the amount credited to this subaccount will be the upfront cash and the subsequent payments by El Paso for PG&E's core gas customers. The upfront cash amount recorded to this subaccount is net of the net present value of the amount allocated to core aggregation, wholesale, and core subscription customers, as approved by the CPUC; and (T)
- 7) An entry equal to the interest on the average of the balance in the subaccount at the beginning of the month and the balance in the subaccount after entries from D.6.a.1 through D.6.a.7, above, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. (T)

(Continued)



PRELIMINARY STATEMENT
(Continued)

D. PURCHASED GAS ACCOUNT (PGA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

b. Core Shrinkage Subaccount

The following entries will be made to this account each month:

- 1) a debit entry equal to the core portion of the recorded purchased gas cost for shrinkage;
- 2) a credit entry equal to the shrinkage revenue from core customers during the month, excluding the allowance for F&U; and
- 3) an entry equal to the interest on the average of the balance in the subaccount at the beginning of the month and the balance in the subaccount after entries from D.6.b.1. and D.6.b.2, above, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

(T)

(D)



PRELIMINARY STATEMENT
(Continued)

F. CORE FIXED COST ACCOUNT (CFCA)

1. PURPOSE: The purpose of the CFCA is to record the authorized GRC distribution base revenue amounts (with credits and adjustments), certain other core transportation costs, and transportation revenue from core customers. Any under- or overcollection in this account will be incorporated into core transportation rates in the next Annual Gas True-up of Balancing Accounts. The gas Public Purpose Program (PPP) authorized funding and gas PPP surcharge amounts billed under Schedule G-PPPS, excluding California Alternative Rates for Energy (CARE), are recorded in this account only until new PPP balancing accounts filed in AL 2440-G-B are approved by the Commission in accordance with Decision 04-08-010. Until PPP program amounts are no longer recorded in the CFCA, the PPP program portion of the CFCA balance will be incorporated into the next gas PPP surcharge advice filing, in accordance with D.04-08-010. (T)

Descriptions of the terms and definitions used in this section are found in Preliminary Statement, Part C or in Rule 1. Refer to Section C.3 for the cost allocation factors used to determine the core portion of certain costs.

2. APPLICABILITY: The CFCA applies to all core transportation rate schedules and contracts subject to the jurisdiction of the CPUC, except for those schedules and contracts specifically excluded by the CPUC. (T)

3. REVISION DATE: Disposition of the balance in this account shall be determined in the Annual Gas True-up of Balancing Accounts advice filing, or as otherwise authorized by the Commission. (T)

4. FORECAST PERIOD: The forecast test period will be as specified in the current Cost Allocation Proceeding. (T)

5. CFCA RATES: CFCA rates are included in the effective rates set forth in each rate schedule (see Preliminary Statement, Part B), as applicable.

6. ACCOUNTING PROCEDURE: The CFCA consists of the following subaccounts: (N)

The "Distribution Cost Subaccount" recovers the distribution base revenue requirement adopted in PG&E's General Rate Case (GRC), including Annual Attrition Adjustments and the Cost of Capital Proceedings, that are allocated to core transportation customers based on the distribution base revenue allocation adopted in the Cost Allocation Proceeding.

The "Core Cost Subaccount" recovers non-distribution-related costs adopted by the Commission in various proceedings that are allocated to core transportation customers. (N)

(Continued)



PRELIMINARY STATEMENT
(Continued)

F. CORE FIXED COST ACCOUNT (CFCA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

a. Distribution Cost Subaccount

(N)

The following entries will be made to this subaccount at the end of each month:

- 1) a credit entry equal to California Alternate Rates for Energy (CARE) revenue shortfall under Schedule G-CARE resulting from deliveries for the month, excluding an allowance for Franchise Fees and Uncollectible Accounts Expense (F&U);
- 2) a debit entry equal to one-twelfth of the core portion of the authorized GRC distribution base revenue amount (with credits and adjustments), excluding the allowance for (F&U);
- 3) a debit entry equal to one-twelfth of the core portion of the gas PPP authorized funding, excluding CARE;
- 4) a credit entry equal to the revenue from the CFCA – Distribution Cost rate component, excluding the allowance for F&U;
- 5) a credit entry equal to the core portion of gas PPP surcharge amounts billed under Schedule G-PPPS, excluding CARE;
- 6) a debit or credit entry, as appropriate, to record the transfer of amounts from other accounts to this subaccount for recovery in rates, upon approval by the CPUC;
- 7) a debit or credit entry equal to any expense adopted by the CPUC as a cost to be recovered in this subaccount; and
- 8) an entry equal to interest on the average of the balance in the account at the beginning of the month and the balance in the account after entries F.6.a.1 through F.6.a.7, above, at a rate equal to one-twelfth the interest rate of the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

b. Core Cost Subaccount

The following entries will be made to this subaccount at the end of each month:

- 1) a credit entry equal to the revenue from the CFCA – Core Cost rate component, excluding the allowance for F&U;
- 2) a credit entry equal to the revenue from the local transmission rate component from core deliveries during the month, excluding the allowance for F&U;
- 3) a debit entry equal to the core portion of intervenor compensation payments authorized by the CPUC, recorded during the month;

(N)

(Continued)



PRELIMINARY STATEMENT
(Continued)

J. NONCORE CUSTOMER CLASS CHARGE ACCOUNT (NCA)

- 1. **PURPOSE:** The purpose of the NCA is to record certain noncore costs and revenues from noncore customers. The balance in this account will be incorporated into noncore transportation rates in the next Annual Gas True-up of Balancing Accounts, or as otherwise authorized by the Commission. The gas Public Purpose Program (PPP) authorized funding, and gas PPP surcharge amounts billed under Schedule G-PPS, excluding California Alternate Rate for Energy (CARE), are recorded in this account only until new PPP balancing accounts filed in AL 2440-G-B are approved by the Commission in accordance with Decision 04-08-010. Until PPP program amounts are no longer recorded in the NCA, the PPP program portion of the NCA balance will be incorporated into the next gas PPP surcharge advice filing, in accordance with Decision 04-08-010.

(T)
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(T)

Descriptions of the terms and definitions used in this section are found in Preliminary Statement, Part C or in Rule 1.

- 2. **APPLICABILITY:** The NCA balance applies to noncore transportation rate schedules and contracts subject to the jurisdiction of the CPUC, except for those schedules and contracts specifically excluded by the CPUC.
- 3. **REVISION:** Disposition of the balance in this account shall be determined in the Annual Gas True-up of Balancing Accounts advice filing, or as otherwise authorized by the Commission.
- 4. **FORECAST PERIOD:** The forecast test period will be as specified in the current Cost Allocation Proceeding.
- 5. **NCA RATES:** NCA rates are included in the effective rates set forth in each rate schedule (see Preliminary Statement, Part B), as applicable.
- 6. **ACCOUNTING PROCEDURE:** The NCA consists of the following subaccounts:

(T)
(T)

The "Industrial Distribution Subaccount" tracks the portion of costs or balances allocated specifically to industrial distribution-level customers taking service on Schedule G-NT.

The "Industrial Transmission Subaccount" tracks the portion of costs or balances allocated specifically to industrial transmission-level customers taking service on Schedule G-NT.

The "Noncore Subaccount" tracks costs or balances allocated on an equal cents per therm basis to all noncore customers. Prior to revising the NCA rate, the noncore distribution and transmission portion of the balance in this subaccount will be transferred to the Industrial Distribution and Industrial Transmission Subaccounts, respectively.

The "Interim Relief Subaccount" tracks the noncore distribution portion of the interim gas revenue requirement increase adopted in GRC Decision 04-05-055 and other amounts approved by the Commission. The balance in this subaccount will be allocated to noncore distribution customers and included in the GRC Interim Account rate component (see Preliminary Statement Part B) as authorized by the Commission.

a. Industrial Distribution Subaccount

The following entries will be made to this subaccount each month:

- 1) a debit entry equal to any expense adopted by the CPUC as a cost to be included in this account;
- 2) a debit entry equal to one-twelfth of the noncore distribution portion of the gas PPP authorized funding, excluding CARE;

(T)
(T)

(Continued)



PRELIMINARY STATEMENT
(Continued)

J. NONCORE CUSTOMER CLASS CHARGE ACCOUNT (NCA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

a. Industrial Distribution Subaccount (Cont'd.)

- 3) a credit entry equal to the noncore distribution portion of gas PPP surcharge amounts billed under Schedule G-PPPS, excluding CARE; (T)
(T)
- 4) a credit entry equal to the noncore distribution portion of NCA revenue, excluding the allowance for F&U;
- 5) an entry equal to the adopted balances transferred to this account in the Annual Gas True-up or at other times, as ordered by the CPUC; and (T)
(T)
- 6) an entry equal to interest on the average of the balance in the subaccount at the beginning of the month and the balance after entries from J.6.a.1 through J.6.a.5, above, at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

b. Industrial Transmission Subaccount

The following entries will be made to this subaccount each month:

- 1) a debit entry equal to any expense adopted by the CPUC as a cost to be included in this account;
- 2) a debit entry equal to one-twelfth of the noncore transmission portion of gas PPP authorized funding, excluding CARE; (T)
(T)
- 3) a credit entry equal to the noncore transmission portion of gas PPP surcharge amounts billed under Schedule G-PPPS, excluding CARE;
- 4) a credit entry equal to the noncore transmission portion of NCA revenue, excluding the allowance for F&U; (T)
(T)
- 5) an entry equal to the adopted balances transferred to this subaccount in the Annual Gas True-up or at other times, as ordered by the CPUC; and
- 6) an entry equal to interest on the average of the balance in the account at the beginning of the month and the balance after entries from J.6.b.1 through J.6.b.5, above, at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. (T)
(T)

(Continued)



PRELIMINARY STATEMENT
(Continued)

J. NONCORE CUSTOMER CLASS CHARGE ACCOUNT (NCA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

c. Noncore Subaccount

The following entries will be made to this subaccount each month:

- 1) a debit entry equal to the noncore portion of intervenor compensation and any other expense adopted by the CPUC as a cost to be included in this subaccount;
- 2) a credit entry equal to the NCA revenue not recorded to J.6.a or J.6.b, above, excluding the allowance for F&U;
- 3) an entry equal to the adopted balances transferred to this subaccount in the Annual Gas True-up or at other times, as ordered by the CPUC; (T)
- 4) an entry equal to 29.97 percent of the local transmission revenue shortfall or over-recovery resulting from a change in customers qualifying for backbone-level end-use service, and associated throughput reduction or increase, an applicable; and (T)
- 5) an entry equal to interest on the average of the balance in the subaccount at the beginning of the month and the balance after entries from J.6.c.1 through J.6.c.4, above, at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

d. Interim Relief Subaccount

The following entries will be made to this subaccount each month:

- 1) a one-time entry equal to the noncore distribution portion of the gas revenue requirement adopted in GRC Decision 04-05-055, from January 1, 2003 to the implementation date, including interest, and excluding the allowance for F&U.
- 2) an entry equal to any other amounts adopted by the CPUC to be included in this subaccount;
- 3) a monthly credit equal to the revenue to amortize the balances in this subaccount, excluding the allowance for F&U; and
- 4) an entry equal to interest on the average of the balance in the account at the beginning of the month and the balance in the account after entries J.6.d.1 through J.6.d.3, above, at a rate equal to one-twelfth the interest rate of the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

(Continued)



PRELIMINARY STATEMENT
 (Continued)

K. ENHANCED OIL RECOVERY ACCOUNT (EORA)

1. **PURPOSE:** The purpose of the EOR balancing account is to record actual EOR revenues for comparison with forecast EOR revenues. The balance in this account shall be incorporated into rates in the next Annual Gas True-up of Balancing Accounts. (T)

 Descriptions of the terms and definitions used in this section are found in Preliminary Statement, Part C or in Rule 1.
2. **APPLICABILITY:** The EOR account balance applies to all transportation rate schedules and contracts subject to the jurisdiction of the California Public Utilities Commission (CPUC), except for those schedules and contracts specifically excluded by the CPUC.
3. **REVISION DATE:** Disposition of the balance in this account shall be determined in the Annual Gas True-up of Balancing Accounts advice filing, or as otherwise authorized by the Commission. (T)
4. **FORECAST PERIOD:** The forecast test period will be as specified in the current Cost Allocation Proceeding. (T)
5. **EORA RATES:** EORA rates are included in the effective rates set forth in each rate schedule (see Preliminary Statement, Part B), as applicable.
6. **ACCOUNTING PROCEDURE:** PG&E shall maintain this EOR account by making entries to this account at the end of each month as follows:
 - a. A debit entry equal to one-twelfth of the forecasted annual EOR revenue amount used to offset the revenue requirement in the most recent Cost Allocation Proceeding;
 - b. A credit entry equal to 95 percent of EOR transportation revenue. EOR transportation revenue shall equal revenue from EOR customers excluding the following:
 - 1) A floor rate of 1 cent per therm applied to all gas deliveries to EOR customers,
 - 2) Gas procurement revenue,
 - 3) Interutility costs, and
 - 4) Revenue from the rate component designed to amortize the balance in this account;
 - c. A credit entry equal to the revenue from the rate component designed to amortize the balance in this account; and
 - d. An entry equal to interest on the average of the balance in the account at the beginning of the month and the balance in the account after entries K.6.a., K.6.b., and K.6.c. above, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. (T)



PRELIMINARY STATEMENT
(Continued)

L. BALANCING CHARGE ACCOUNT (BCA)

1. PURPOSE: The purpose of the BCA is to record the revenue and cost associated with providing balancing service, including penalties and credits, as described in Schedule G-BAL, Rule 14, or as otherwise authorized by the CPUC. The balance in this account will be incorporated into core and noncore transportation rates as determined in PG&E's Biennial Cost Allocation Proceeding Decision 01-11-001.

Descriptions of the terms and definitions used in this section are found in Preliminary Statement, Part C or in Rule 1.

2. APPLICABILITY: The BCA balance applies to all gas rate schedules and contracts subject to the jurisdiction of the CPUC, except for those schedules and contracts specifically excluded by the CPUC.

3. REVISION DATE: Disposition of the balance in this account shall be determined in the Annual Gas True-up of Balancing Accounts advice filing, or as otherwise authorized by the Commission.

(T)
(T)

4. FORECAST PERIOD: The forecast test period will be as specified in the Cost Allocation Proceeding.

5. BCA RATES: This account does not currently have a rate component.

6. ACCOUNTING PROCEDURE: PG&E shall maintain the BCA by making entries as follows:

- a. a debit entry equal to the cost of gas purchased under Schedule G-BAL as a result of over-deliveries;
- b. a debit entry equal to the cost of gas purchased under a California Production Balancing Agreement (CPBA) as a result of overdeliveries;
- c. a debit entry equal to the cost of gas purchased by the transmission system to provide balancing service;
- d. a debit entry equal to the involuntary diversion credits to suppliers;
- e. a credit entry equal to revenues from the sale of gas commodity as a result of under-deliveries under Schedule G-BAL during the month, excluding the allowance for Franchise Fees and Uncollectible Accounts Expense (F&U);
- f. a credit entry equal to the revenue from the sale of gas commodity as a result of underdeliveries under a CPBA, excluding the allowances for F&U;

(Continued)



PRELIMINARY STATEMENT
 (Continued)

L. BALANCING CHARGE ACCOUNT (BCA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

- g. a credit entry equal to EFO and OFO noncompliance charges, excluding the allowance for F&U, as described in Gas Rule 14;
- h. a credit entry equal to Self-Balancing noncompliance charges, as described in Schedule G-BAL;
- i. a credit entry equal to the involuntary diversion usage charges excluding the allowance for F&U;
- j. a credit entry equal to local curtailment noncompliance charges, excluding the allowance for F&U, as described in Gas Rule 14;
- k. a debit or credit entry, as appropriate, to transfer to another regulatory account for rate recovery, upon approval by the Commission; and (N)
(N)
- l. an entry equal to the interest on the average of the balance in the account at the beginning of the month and the balance in the account after the entries L.6.a through L.6.k, above, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. (T)
(T)



PRELIMINARY STATEMENT
(Continued)

Q. AFFILIATE TRANSFER FEES ACCOUNT (ATFA)

1. PURPOSE: The purpose of the ATFA is to record employee transfer fees paid to PG&E by its holding company and affiliates for future ratemaking treatment to ensure that PG&E's customers receive the fees. Decision 96-11-017 requires that "[w]hen a PG&E employee is transferred from PG&E to either the holding company or an affiliate, that entity shall make a one-time payment to PG&E in an amount equivalent to 25% of the employee's base annual compensation, unless PG&E can demonstrate that some lesser percentage (equal to at least 15%) is appropriate for the class of employee involved."
2. APPLICABILITY: The ATFA shall apply to all rate schedules and contracts for gas service subject to the jurisdiction of the Commission, except for those specifically excluded by the Commission.
3. REVISION DATE: Disposition of the balance in this account shall be determined in the Annual Gas True-up of Balancing Accounts advice filing or as otherwise authorized by the Commission. (T)
(T)
4. ATFA RATES: The ATFA does not currently have a rate component.
5. ACCOUNTING PROCEDURE: PG&E shall maintain the ATFA by making entries to this account at the end of each month as follows:
 - a. a credit entry equal to the amount of employee transfer fees allocated to PG&E's gas ratepayers;
 - b. a debit or credit entry, as appropriate, to transfer the balance to another regulatory account for rate recovery, upon approval by the Commission; and (T)
(T)
 - c. a credit entry equal to the interest on the average balance of the account at the beginning of the month and the balance after the entries above, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, G.13 or its successor.

(Continued)



PRELIMINARY STATEMENT
(Continued)

U. CORE BROKERAGE FEE BALANCING ACCOUNT (CBFBA)

1. **PURPOSE:** The purpose of the CBFBA is to ensure that any variation between the adopted brokerage fee revenue requirement and the brokerage fee revenues collected from core procurement customers flows through core transportation rates in the next Annual Gas True-up of Balancing Accounts. This account was adopted in Decision 95-12-053. (T)
(T)
Descriptions of the terms and conditions used in this section are found in Preliminary Statement, Part C, or in Rule 1.
2. **APPLICABILITY:** The CBFBA applies to all core rate schedules and contracts subject to the jurisdiction of the CPUC, except for those schedules and contracts specifically excluded by the CPUC. (T)
3. **REVISION:** Disposition of the balance in this account shall be determined in the Annual Gas True-up of Balancing Accounts advice filing, or as otherwise authorized by the Commission. (T)
(T)
4. **FORECAST PERIOD:** The forecast test period will be as specified in the current Cost Allocation Proceeding.
5. **CBFBA RATES:** CBFBA rates are included in the effective rates set forth in each applicable core procurement schedule (see Preliminary Statement, Part B).
6. **ACCOUNTING PROCEDURE:** PG&E shall maintain the CBFBA by making entries to this account at the end of each month as follows:
 - a. a debit entry equal to one-twelfth of the adopted annual core brokerage fee revenue requirement, excluding the allowance for Franchise Fees and Uncollectible Account Expense (F&U);
 - b. a credit entry equal to brokerage fee revenue from applicable deliveries, net of F&U;
 - c. a debit or credit entry, as appropriate, to transfer the balance to the Core Fixed Cost Account, for rate recovery, upon approval by the Commission; and (T)
(T)
 - d. an entry equal to the interest on the average balance in the account at the beginning of the month and the balance in the account after entries U.6.a through U.6.c, above, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. (T)



PRELIMINARY STATEMENT
 (Continued)

X. NATURAL GAS VEHICLE BALANCING ACCOUNT (NGVBA)

1. **PURPOSE:** The purpose of the NGVBA is to record: (1) all transportation revenue from customers receiving service under all natural gas vehicle (NGV) and liquefied natural gas (LNG) rate schedules; and (2) PG&E's NGV Program expenses, not to exceed the amount authorized by the CPUC, and not included as part of the revenue requirement authorized in PG&E's General Rate Case(s) as of January 1, 2003. The balance in the NGVBA will be recovered in rates in the next Annual Gas True-up of Balancing Accounts. (T)
 (T)

Descriptions of the terms and definitions used in this section are found in Preliminary Statement, Part C, or in Rule 1.

2. **APPLICABILITY:** The NGVBA balance will be collected from all customer classes except for those specifically excluded by the CPUC.

3. **REVISION DATE:** Disposition of the balance in this account shall be determined in the Annual Gas True-up of Balancing Accounts advice filing, or as otherwise authorized by the Commission. (T)
 (T)

4. **NGVBA RATES:** This account does not have a rate component.

5. **ACCOUNTING PROCEDURE:**

PG&E shall maintain the NGVBA by making entries at the end of each month as follows:

- a. A credit entry equal to the transportation revenue for deliveries during the month under all NGV and LNG rate schedules, excluding the allowance for franchise fees and uncollectible accounts (F&U) expense.
- b. A debit entry equal to the monthly recorded NGV program expenses, not to exceed the expenditure levels authorized by the CPUC, in current year dollars.
- c. A credit or debit entry to transfer all or a portion of the balance in the NGVBA to other balancing accounts for future rate recovery, as may be approved by the CPUC.
- d. An entry equal to interest on the average balance in the NGVBA at the beginning of the month and the balance at the end of the month after entries X.5.a and X.5.c, above, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.



PRELIMINARY STATEMENT
(Continued)

AE. CORE PIPELINE DEMAND CHARGE ACCOUNT (CPDCA)

- 1. **PURPOSE:** The purpose of the CPDCA is to record the costs associated with backbone transmission, interstate capacity, and Canadian capacity for service to core customers taking procurement service from PG&E and interstate capacity for core transport customers. (T)

Descriptions of the terms and definitions used in this section are found in Preliminary Statement, Part C or in Rule 1.

- 2. **APPLICABILITY:** The CPDCA balance applies to all core rate schedules and contracts subject to the jurisdiction of the CPUC, except for those schedules and contracts specifically excluded by the CPUC.
- 3. **REVISION DATE:** The revision date applicable to the CPDCA rate shall coincide with the revision date of the monthly core procurement rate, Annual Gas True-up of Balancing Accounts, or at other times, as ordered by the CPUC. (T)
(T)
- 4. **FORECAST PERIOD:** The forecast test period will be as specified in the current Cost Allocation Proceeding.
- 5. **CPDCA RATES:** CPDCA Rates are included in the effective rates set forth in each rate schedule (see Preliminary Statement, Part B), as applicable.
- 6. **ACCOUNTING PROCEDURE:** The CPDCA consists of the following subaccounts:

The "Core Demand Charge Subaccount" records the costs and revenues for intrastate, interstate, and Canadian capacity allocated to core customers taking procurement service from PG&E. The balance in this subaccount will be incorporated into core procurement rates on the revision date. (T)
(T)

The "Core Transport Interstate Transition Subaccount" records pipeline demand charge costs for interstate capacity made available to Core Transport Agents (CTAs) on Gas Transmission Northwest Corporation (GTN) pipeline. This subaccount also records revenue from the Core Transport Transition (CTT) Surcharge up to 12/31/97. Any over-collection in this subaccount at 12/31/97 will be returned to core transport customers through a direct refund. Any under-collection will be absorbed by PG&E. Any balance accruing in this subaccount after 1/1/98 will be incorporated into transportation rates for all core customers in the Annual Gas True-up of Balancing Accounts. (T)
(T)

The "Core Transport Canadian Transition Subaccount" records the core transport customers' portion of the net unrecovered costs for Canadian capacity made available to Core Transport Agents (CTAs). The cost of Canadian capacity made available to CTAs, net of payments for capacity assigned or brokered, are shared equally between core transport customers and PG&E shareholders. Any balance accruing in this subaccount will be incorporated into core transport customer rates on the revision date.

(Continued)



PRELIMINARY STATEMENT
(Continued)

AE. CORE PIPELINE DEMAND CHARGE ACCOUNT (CPDCA) (Cont'd.)

6. ACCOUNTING PROCEDURE: (Cont'd.)

a. Core Demand Charge Subaccount

The following entries will be made to this subaccount each month:

- 1) a debit entry equal to the interstate demand charges allocated to core procurement customers;
- 2) a debit entry equal to the intrastate demand charges allocated to core procurement customers;
- 3) a debit entry equal to the Canadian capacity costs allocated to core procurement customers; (N)
(N)
- 4) a credit entry equal to the prorated core procurement customer portion of the credit received from an interstate pipeline for brokered excess interstate capacity; (T)
- 5) a credit entry equal to the net credit received for brokered core procurement intrastate capacity; (T)
- 6) a credit entry equal to the capacity cost revenues associated with the sale of gas to core procurement customers during the month, excluding the allowance for Franchise Fees and Uncollectible Accounts Expense (F&U); (T)
- 7) an entry equal to the interest on the average of the balance in the subaccount at the beginning of the month and the balance in the subaccount after entries AE.6.a.1 through AE.6.a.5 above, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. (T)
(T)

b. Core Transport Interstate Transition Subaccount

The following entries will be made to this subaccount each month:

- 1) a debit entry equal to the interstate demand charges on GTN allocated to core transport customers;
- 2) a credit entry equal to the credit received from GTN for core interstate capacity direct assigned to CTAs at PG&E's cost for the capacity;
- 3) a credit entry equal to the prorated core transport portion of the credit received from GTN for brokered excess interstate capacity;

(Continued)



PRELIMINARY STATEMENT
(Continued)

AG. CORE FIRM STORAGE ACCOUNT (CFSA)

- 1. **PURPOSE:** The purpose of the CFSA is to record the costs and revenues associated with firm storage capacity allocated to core customers as adopted in Decision (D.) 03-12-061. The balance in this account will be incorporated into core procurement rates.

Descriptions of the terms and definitions used in this section are found in Preliminary Statement, Part C or in Rule 1.

- 2. **APPLICABILITY:** The CFSA applies to all core procurement rate schedules and contracts subject to the jurisdiction of the CPUC, except for those schedules and contracts specifically excluded by the CPUC.
- 3. **REVISION DATE:** The revision date applicable to the CFSA rate shall coincide with the revision date of the monthly core procurement rate or at other times, as ordered by the CPUC. (T)
- 4. **FORECAST PERIOD:** The forecast test period will be as specified in the current Cost Allocation Proceeding.
- 5. **CFSA RATES:** CFSA rates are included in the effective rates set forth in each gas procurement rate schedule (see Preliminary Statement, Part B), as applicable.
- 6. **ACCOUNTING PROCEDURE:** PG&E shall make the following entries to the CFSA at the end of each month or when applicable:
 - a. a debit entry equal to one-twelfth of the total core firm storage revenue requirement, which is the amount accepted by CTAs, plus the remainder allocated to core procurement customers, under the provisions of Schedule G-CFS, excluding the allowance for franchise fees and uncollectible accounts expense (F&U);
 - b. a debit entry equal to the core portion of the recorded carrying cost on non-cycled storage gas;
 - c. a credit entry equal to the core firm storage revenue from core procurement customers for the month, excluding the allowance for F&U;
 - d. a credit entry equal to the revenue from CTAs pursuant to Schedule G-CFS, excluding the allowance for F&U;
 - e. a credit entry equal to the revenue received from the sale of released core storage capacity by PG&E's Core Procurement Department; and
 - f. an entry equal to the interest on the average of the balance in the account at the beginning of the month and the balance after entries 6.a. and 6.e., above, at a rate equal to one-twelfth of the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. (T)



PRELIMINARY STATEMENT
(Continued)

AN. HAZARDOUS SUBSTANCE MECHANISM (HSM)

- 1. **PURPOSE:** The Hazardous Substance Mechanism (HSM) provides a uniform methodology for allocating costs and related recoveries associated with covered hazardous substance-related activities, including hazardous substance clean-up and litigation, and related insurance recoveries, as set forth in D.94-05-020. The HSM includes a balancing account, the Hazardous Substance Cost Recovery Account (HSCRA), and an interest-bearing tracking account, the Other Hazardous Substance Tracking Account (OHSTA).

Descriptions of the terms and definitions used in this preliminary statement are found in Preliminary Statement Part C or Rule 1. Terms and definitions relating to hazardous substance-related activities are found in D.94-05-020, Appendix A.

- 2. **APPLICABILITY:** The HSCRA applies to all covered costs and recoveries associated with manufactured gas plant sites, presently-identified federal superfund sites, and other identified sites included in D.94-05-020, Appendix A. The OHSTA is an interest-bearing tracking account for costs and recoveries for sites not included within one of the three defined categories set forth in D.94-05-020, Appendix A.

- 3. **REVISION DATE:** Disposition of the balance in this account shall be determined in the Annual Gas True-up of Balancing Accounts advice filing, or as otherwise authorized by the Commission. (T)

The California Public Utilities Commission (CPUC) will not conduct a reasonableness review of costs under the HSM except, at its discretion, of costs recorded in the OHSTA. (T)

- 4. **HSM RATES:** The HSM currently does not have a rate component.

- 5. **REPORTING REQUIREMENTS:** On or before August 2, 1994, PG&E will file an initial report with the Commission Advisory and Compliance Division (CACD), describing previously recorded hazardous substance costs transferred to the HSCRA. (Requirements for this initial report are found in D.94-05-020, Appendix A, page 14.)

Commencing March 1, 1995, PG&E will file an annual report with the CACD to reflect the costs and recoveries recorded by PG&E in the HSM for the 12-month period ending December 31 of the previous year, except for the first year report, which will cover the period from June 3, 1994, through December 31, 1994. The Annual Report will be served on all parties to Application No. (A.) 91-04-044.

The Annual Report shall include the following:

- a. The name and location of each site for which costs were incurred or a recovery obtained.
- b. The amount of covered hazardous substance clean-up costs incurred for each site.
- c. The amount of internal PG&E costs included with the hazardous substance clean-up costs.
- d. The total third-party and insurance litigation costs incurred for all sites.
- e. The amount of covered third-party and insurance recoveries obtained for all sites.
- f. A description of the costs in sufficient detail to allow a determination of whether costs have been properly accounted for by PG&E, and whether reported internal PG&E costs are already being recovered through rates.

(Continued)



PRELIMINARY STATEMENT
(Continued)

AN. HAZARDOUS SUBSTANCE MECHANISM (HSM) (Cont'd.)

- 6. COST ALLOCATION: PG&E shall allocate all costs and related recoveries 70 percent to the Gas Department and 30 percent to the Electric Department, with the exception of hazardous substance insurance litigation costs recovered through PG&E's 1993 General Rate Case base revenues.
- 7. ACCOUNTING PROCEDURE: The Hazardous Substance Cost Recovery Account (HSCRA) records expenditures and recoveries associated with the HSM in accordance with D.94-05-020.

The HSCRA consists of five subaccounts:

a. Hazardous Substance Clean-up Cost Account (HSCCA)

This account records the ratepayers' share of covered hazardous substance costs. Entries shall be made into the HSCCA at the end of each month as follows:

- 1) A debit entry equal to 90 percent of covered hazardous substance costs.
- 2) A credit entry equal to 90 percent of hazardous substance costs recovered from third parties.
- 3) A credit entry equal to 100 percent of hazardous substance insurance litigation costs recovered through PG&E's 1993 General Rate Case base revenues, excluding the allowance for franchise fees and uncollectible accounts (F&U) expense, for the period from June 3, 1994, through December 31, 1995.
- 4) A credit entry equal to the lesser of 10 percent of the remaining insurance recoveries, net of contingency fees paid to outside attorneys to obtain recoveries, if any, not applied to entries 7.c.2 and 7.d.2 below, or 11.111 percent of the entry in 7.b.3 below.
- 5) A credit entry for 60 percent of each debit entry under HSIRA Sections 7.e.3 through 7.e.7 for the ratepayers' portion of insurance recoveries under the HSIRA.
- 6) A debit or credit entry, as appropriate, equal to interest on the average balance in the account at the beginning of the month and the balance after the monthly entries, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. (T)
- 7) A debit or credit entry, as appropriate, to transfer the balance to another regulatory account for rate recovery, upon approval by the CPUC. (T)

b. Hazardous Substance Clean-up Cost Shareholder Account (HSCCSA)

This account records the shareholders' share of covered hazardous substance costs. Entries shall be made into the HSCCSA at the end of each month as follows:

- 1) A debit entry equal to 10 percent of covered hazardous substance costs.
- 2) A credit entry equal to 10 percent of hazardous substance costs recovered from third parties.
- 3) A credit entry equal to the lesser of 90 percent of the remaining insurance recoveries, net of contingency fees paid to outside attorneys to obtain recoveries, if any, not applied to entries 7.c.2 and 7.d.2 below, or the balance in this account.

(Continued)



PRELIMINARY STATEMENT
(Continued)

AN. HAZARDOUS SUBSTANCE MECHANISM (HSM) (Cont'd.)

7. ACCOUNTING PROCEDURE: (Cont'd.)

b. Hazardous Substance Clean-up Cost Shareholder Account (HSCCSA) (Cont'd.)

- 4) A credit entry for 40 percent of each debit entry under HSIRA Sections 7.e.3 through 7.e.7 for the shareholders' portion of insurance recoveries under the HSIRA.
- 5) A debit or credit entry, as appropriate, equal to interest on the average balance in this account at the beginning of the month and the balance after the monthly entries, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. (T)

Shareholders are at risk for any balance remaining in this account following final disposition of all covered hazardous substance and insurance litigation costs and related recoveries.

c. Hazardous Substance Clean-up Cost Insurance Account (HSCCIA)

This account records the ratepayers' share of covered insurance litigation costs. Entries shall be made into the HSCCIA at the end of each month as follows:

- 1) A debit entry equal to 70 percent of covered insurance litigation costs.
- 2) A credit entry equal to the lesser of 70 percent of insurance recoveries net of contingency fees paid to outside attorneys to obtain recoveries, if any, or the balance in this account. This account cannot have a credit balance.
- 3) A debit or credit entry, as appropriate, equal to interest on the average balance in this account at the beginning of the month and the balance after the monthly entries, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. (T)
- 4) A debit or credit entry, as appropriate, to transfer the balance to another regulatory account for rate recovery, upon approval by the CPUC. (T)

d. Hazardous Substance Clean-up Cost Shareholder Insurance Account (HSCCSIA)

This account records the shareholders' share of covered insurance litigation costs. Entries shall be made into the HSCCSIA at the end of each month as follows:

- 1) A debit entry equal to 30 percent of covered insurance litigation costs.
- 2) A credit entry equal to the lesser of 30 percent of insurance recoveries net of contingency fees paid to outside attorneys to obtain recoveries, if any, or the balance in this account. This account cannot have a credit balance.
- 3) A debit or credit entry, as appropriate, equal to interest on the average balance in this account at the beginning of the month and the balance after the monthly entries, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor. (T)

Shareholders are at risk for any balance remaining in this account upon final disposition of all insurance litigation costs and related recoveries.



PRELIMINARY STATEMENT
(Continued)

AW. SELF-GENERATION PROGRAM MEMORANDUM ACCOUNT (SGPMA)

1. PURPOSE:

The purpose of the SGPMA is to track the costs incurred by PG&E for implementing self-generation programs authorized by Decisions 01-03-073, 01-07-028, 01-09-012, and 02-02-026. Qualifying self-generation is defined as distributed generation technologies (microturbines, small gas turbines, wind turbines, photovoltaics, fuel cells and internal combustion engines, and combined heat and power or cogeneration) installed on the customer's side of the utility meter that provides electricity for all or a portion of that customer's electric load. The self-generation program budget shall be allocated between electric and gas customers to reflect the current allocation of energy efficiency programs. As authorized in PG&E's Biennial Cost Allocation Proceeding Decision 05-06-029, the balance in this account will be recovered from all gas transportation customers in the Annual Gas True-up of Balancing Accounts, or other advice filing, after a Commission review or audit of the self-generation incentive program expenditures.

(T)
|
|
(T)

2. APPLICABILITY:

The SGPMA shall apply to all customer classes, except for those specifically excluded by the CPUC.

3. REVISION DATE:

Disposition of the balance in this account shall be determined in the Annual Gas True-up of Balancing Accounts advice filing, or as otherwise authorized by the Commission.

(T)
(T)

4. RATES:

The SGPMA does not have a rate component.

5. ACCOUNTING PROCEDURE:

PG&E shall maintain the SGPMA by making entries at the end of each month as follows:

- a. A debit entry for the gas portion of administrator costs, including incremental design, contract administration, marketing, regulatory reporting, and program evaluation.
- b. A debit entry for the gas portion of incentive payments to customers or contractors for services rendered. The total costs recorded to this entry and entry 5.a. above, plus the costs allocated to electric customers and recorded in the electric SGPMA (electric Preliminary Statement Part BY), are not to exceed the total four-year funding authorized in Decision 01-03-073 for this program.
- c. A credit entry to transfer all or a portion of the balance in the SGPMA to other balancing accounts for future rate recovery, as may be approved by the CPUC.
- d. A debit entry equal to the interest on the average of the balance at the beginning of the month and the balance after the entries 5.a. through 5.c., above, at a rate equal to one-twelfth the interest rate on three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H. 15 or its successor.

(T)



PRELIMINARY STATEMENT
(Continued)

BL. NONCORE DISTRIBUTION FIXED COST ACCOUNT (NDFCA)

1. **PURPOSE:** The purpose of the NDFCA is to recover 75 percent of the noncore distribution base revenue requirement with PG&E's risk for noncore gas distribution throughput set at 25 percent of revenues as authorized in D.05-06-029. This account recovers 75 percent of the distribution base revenue adopted in PG&E's General Rate Case (GRC), including Annual Attrition Adjustments, and the Cost of Capital Proceedings, that are allocated to noncore transportation customers based on the distribution base revenue allocation adopted in the Cost Allocation Proceeding. The balance in this account will be incorporated into noncore distribution rates in the Annual Gas True-up of Balancing Accounts.

(N)

Descriptions of the terms and definitions used in this section are found in Preliminary Statement, Part C or in Rule 1. Refer to Section C.3 for the cost allocation factors used to determine the noncore portion of distribution costs recovered in this account.

2. **APPLICABILITY:** The NDFCA applies to all noncore transportation rate schedules and contracts subject to the jurisdiction of the CPUC, except for those schedules and contracts specifically excluded by the CPUC.

3. **REVISION DATE:** Disposition of the balance in this account shall be determined in the Annual Gas True-up of Balancing Accounts advice filing, or as otherwise authorized by the Commission.

4. **FORECAST PERIOD:** The forecast test period will be as specified in the current Cost Allocation Proceeding.

5. **NDFCA RATES:** NDFCA rates are included in the effective rates set forth in each rate schedule (see Preliminary Statement, Part B), as applicable.

6. **ACCOUNTING PROCEDURE:** PG&E shall make the following entries to this NDFCA at the end of each month:

- a. a debit entry equal to 75 percent of one-twelfth of the noncore portion of the authorized GRC base revenue amount (with credits and adjustments), excluding the allowance for Franchise Fees and Uncollectible Accounts Expense (F&U);
- b. a credit entry equal to 75 percent of the revenue from the portion of the NDFCA rate component set to recover the noncore distribution revenue requirement, excluding the allowance for F&U;
- c. a debit or credit entry equal to 100 percent of the revenue from the portion of NDFCA rate component set to amortize the balance in the account, excluding the allowance for F&U;
- d. a debit or credit entry equal to any expense adopted by the CPUC as a cost to be recovered in this account; and
- e. an entry equal to interest on the average of the balance in the account at the beginning of the month and the balance in the account after entries BL.6.a through BL.6.d, above, at a rate equal to one-twelfth the interest rate of the three-month Commercial Paper for the previous month, as reported in the Federal Reserve Statistical Release, H.15, or its successor.

(N)

(Continued)



SCHEDULE G-NT—GAS TRANSPORTATION SERVICE TO NONCORE END-USE CUSTOMERS

RATES:
(Cont'd.)

2. Transportation Charge:

A customer will pay one of the following rates for gas delivered in the current billing month.

a. Backbone Level Rate:

The Backbone Level Rate applies to Backbone Level End-Use Customers as defined in Rule 1.

Backbone Level Rate (per therm): (\$0.00328) (I)

b. Transmission-Level Rate:

The Transmission-Level Rate applies to Customers served directly from PG&E gas facilities that have a maximum operating pressure greater than sixty pounds per square inch (60 psi) that do not qualify for the Backbone Level Rate.

Transmission-Level Rate (per therm): \$0.01581 (I)

c. Distribution-Level Rate:

The Distribution-Level Rate applies to Customers served from PG&E gas facilities that have a maximum operating pressure of sixty pounds per square inch (60 psi) or less. The Tier 5 rate is equal to the Transmission-Level Rate specified above.

Average Monthly Use (Therms)	Summer (Per Therm)	Winter (Per Therm)
Tier 1: 0 to 20,833	\$0.10517 (I)	\$0.14000 (I)
Tier 2: 20,834 to 49,999	\$0.06973 (R)	\$0.09216 (R)
Tier 3: 50,000 to 166,666	\$0.06416 (R)	\$0.08465 (R)
Tier 4: 166,667 to 249,999	\$0.06174 (I)	\$0.08138 (I)
Tier 5: 250,000 and above*	\$0.01581 (I)	\$0.01581 (I)

See Preliminary Statement Part B for Default Tariff Rate Components.

**SURCHARGES,
FEES AND
TAXES:**

Customer may pay a franchise fee surcharge for gas volumes transported by PG&E. (See Schedule G-SUR for details.) The Customer will be responsible for any applicable costs, taxes, and/or fees incurred by PG&E in taking delivery of third-party gas from intra- or interstate sources.

Customers served under this schedule are subject to a gas Public Purpose Program (PPP) Surcharge under Schedule G-PPPS.

* Tier 5 Summer and Winter rates are the same.



SCHEDULE G-EG—GAS TRANSPORTATION SERVICE TO ELECTRIC GENERATION

APPLICABILITY: This rate schedule* applies to the transportation of natural gas used in: (a) electric generation plants served directly from PG&E gas facilities that have a maximum operation pressure greater than sixty pounds per square inch (60 psi); (b) all Cogeneration facilities that meet the efficiency requirements specified in the California Public Utilities Code Section 218.5**; and (c) solar electric generation plants, defined herein. This schedule does not apply to gas transported to non-electric generation loads.

Customers on Schedule G-EG permanently classified as Noncore End-Use Customers, per Rule 1 must procure gas supply from a third-party gas supplier, not from a Core Procurement Group, as defined in Rule 1.

Certain noncore customers served under this rate schedule may be restricted from converting to a core rate schedule. See Rule 12 for details on core and noncore reclassification.

TERRITORY: Schedule G-EG applies everywhere within PG&E's natural gas Service Territory.

RATES: The following charges apply to this schedule. They do not include charges for service on PG&E's Backbone Transmission System:

1. Customer Access Charge:

The applicable Per-Day Customer Access Charge specified below is based on the Customer's Average Monthly Use, as defined in Rule 1. Usage through multiple noncore meters on a single premises will be combined to determine Average Monthly Usage. Customers taking service under this schedule who also receive service under other noncore rate schedules at the same premises will be charged a single Customer Access Charge under this schedule.

Average Monthly Use (Therms)	Per Day
0 to 5,000 therms	\$ 1.94663
5,001 to 10,000 therms	\$ 5.79814
10,001 to 50,000 therms	\$ 10.79178
50,001 to 200,000 therms	\$ 14.16296
200,001 to 1,000,000 therms	\$ 20.54926
1,000,001 and above therms	\$174.31134

2. Transportation Charge:

Customers will pay one of the following rates for gas delivered in the current billing period:

a. The Backbone Level Rate applies to Backbone Level End-Use Customers as defined in Rule 1.

Backbone Level Rate: \$0.00344 (l) per therm

b. All Other Customers: \$0.01818 (l) per therm

* PG&E's gas tariffs are available on-line at www.pge.com.

** Efficiency Standard: In accordance with PU Code Section 218.5, at least 5 percent of the facility's total output must be in the form of useful thermal energy. Where useful thermal energy follows power production, the useful annual power output plus one-half the useful annual thermal energy output must equal no less than 42.5 percent of any natural gas and oil energy input.



SCHEDULE G-WSL—GAS TRANSPORTATION SERVICE TO WHOLESALE/RESALE CUSTOMERS

APPLICABILITY: This rate schedule* applies to the transportation of natural gas for resale. Service under this schedule is available to the Customers listed below, and any new wholesale Customer. Customers must procure gas supply from a supplier other than PG&E.

LOAD FORECAST: For planning purposes, Customers may provide PG&E an annual forecast of the core and noncore portion of its load. If the Customer elects not to provide an annual forecast, PG&E will use the forecast adopted in the most recent Cost Allocation Proceeding.

RATES: Customers pay a Customer Access Charge and a Transportation Charge.

1. Customer Access Charge:

	<u>Per Day</u>
Palo Alto	\$154.68099
Coalinga	\$ 46.39200
West Coast Gas-Mather	\$ 24.62762
Island Energy	\$ 31.43244
Alpine Natural Gas	\$ 10.48932
West Coast Gas-Castle	\$ 26.94904

2. Transportation Charges:

For gas delivered in the current billing month:

	<u>Per Therm</u>	
Palo Alto-T	\$0.01666	(I)
Coalinga-T	\$0.01666	
West Coast Gas-Mather-T	\$0.01666	(I)
West Coast-Mather-D	\$0.02812	(N)
Island Energy-T	\$0.01666	(I)
Alpine Natural Gas-T	\$0.01666	
West Coast Gas-Castle-D	\$0.02495	(I)

* PG&E's gas tariffs are available on-line at www.pge.com.

(Continued)



SCHEDULE G-CT—CORE GAS AGGREGATION SERVICE
(Continued)

TERMINATION
OF CUSTOMER
AUTHORIZA-
TION (Cont'd.):

A CTA Agreement, and all Customer Authorizations for Customers receiving service from the CTA in accordance with that CTA Agreement, shall terminate, regardless of whether the initial twelve (12) month term of a Customer Authorization has expired, if any of the following occur:

1. The CTA goes out of business.
2. PG&E cancels the applicable CTA Agreement due to: (a) the CTA's failure to pay PG&E in accordance with its tariffs for services rendered to the CTA or, (b) for otherwise failing to comply with the terms of Gas Rule 23 or the CTA Agreement or, (c) the CTA's failure to comply with the Firm Winter Capacity Requirement.
3. If a Group's Annual Contract Quantity (ACQ) drops below 12,000 decatherms, the Customer Authorization for each Customer will be terminated, without further notice, effective for each account, as of the next calendar month's meter reading date. When all Customer Authorizations have been terminated the applicable CTA Agreement is canceled automatically. Under paragraphs 2, 3, and 4 above, PG&E will thereafter send written notice of cancellation of the CTA Agreement and all affected Customer Authorizations to the CTA and all affected Customers to the extent practicable, but in no event shall any failure to provide, or a delay in providing, such notice to customers affect PG&E's rights to cancel said CTA Agreement.

If a Customer Authorization is terminated and the Customer continues to receive service at the meter location, the Customer will receive PG&E procurement service as specified in the applicable rate schedule. PG&E may recall capacity, in PG&E's sole discretion, if such capacity is necessary to serve the returning Customer(s); provided, however that PG&E shall not recall such capacity unless and until the aggregated net change due to Customer Terminations exceeds the lower of ten percent (10%) of the CTA's prior effective DCQ or 100 decatherms per day.

The CTA shall remain responsible for any charges due for PG&E service provided under the CTA Agreement prior to its cancellation, whether or not such charges are billed after such cancellation. The Customer shall remain responsible for any charges due for PG&E service provided under the Customer Authorization prior to its termination, whether or not such charges are billed after such termination.

CONTRACT
QUANTITIES:

PG&E will process new Authorizations on a monthly basis. For each new Authorization, PG&E shall determine the Annual Contract Quantity (ACQ) for each Customer's account. The ACQ will be based on the Customer's monthly historical gas use.

For each month, PG&E will determine the Group's January Capacity Factor. The Group's January Capacity Factor is the ratio of the sum of each Customer's historical January usage to PG&E's core forecasted January throughput, as adopted in PG&E's latest Cost Allocation Proceeding (CAP). PG&E will notify the CTA of the Group's ACQ, the January Capacity Factor for each calendar month by the fifteenth (15th) day of the prior month.

PG&E's forecasted January throughput:.....48,484,907 decatherms (l)

If, at any time, the sum of the January Capacity Factor for all CTAs is greater than 10 percent (10%), CTAs will no longer have the option to reject any of the pipeline or storage capacities offered below. This charge will take place beginning April 1, after one full year has passed since the January Capacity Factor became greater than 10 percent (10%).

(Continued)



**SCHEDULE G-NGV4—EXPERIMENTAL GAS TRANSPORTATION SERVICE TO
NONCORE NATURAL GAS VEHICLES**
(Continued)

RATES:
(Cont'd.)

2. Transportation Charge:

A customer will pay one of the following rates for gas delivered in the current billing month.

a. Backbone Level Rate:

The Backbone Level Rate applies to Backbone Level End-Use Customers as defined in Rule 1.

Backbone Level Rate (per therm) (\$0.00328) (I)

b. Transmission-Level Rate:

The Transmission-Level Rate applies to Customers served directly from PG&E gas facilities that have a maximum operating pressure greater than sixty pounds per square inch (60 psi) that do not qualify for the Backbone Level Rate.

Transmission-Level Rate (per therm) \$0.01581 (I)

c. Distribution-Level Rate:

The Distribution-Level Rate applies to Customers served from PG&E gas facilities that have a maximum operating pressure of sixty pounds per square inch (60 psi) or less. The Tier 5 rate is equal to the Transmission-Level Rate specified above.

Average Monthly Use (Therms)	Summer (Per Therm)	Winter (Per Therm)
Tier 1: 0 to 20,833	\$0.10517 (I)	\$0.14000 (I)
Tier 2: 20,834 to 49,999	\$0.06973 (R)	\$0.09216 (R)
Tier 3: 50,000 to 166,666	\$0.06416 (R)	\$0.08465 (R)
Tier 4: 166,667 to 249,999	\$0.06174 (I)	\$0.08138 (I)
Tier 5: 250,000 and above*	\$0.01581 (I)	\$0.01581 (I)

See Preliminary Statement Part B for Default Tariff Rate Components.

FEES AND
TAXES:

Customer may pay a franchise fee surcharge for gas volumes transported by PG&E. (See Schedule G-SUR for details.) The Customer will be responsible for any applicable costs, taxes, and/or fees incurred by PG&E in taking delivery of third-party gas from intra- or interstate sources.

* Tier 5 Summer and Winter rates are the same.

(Continued)



SCHEDULE G-LNG—EXPERIMENTAL LIQUEFIED NATURAL GAS SERVICE

APPLICABILITY: This rate schedule* applies to experimental natural gas liquefaction service provided by PG&E to noncore End-Use Customers. This experimental liquefaction service is limited and PG&E will provide this service on a first-come first-served basis.

TERRITORY: Schedule G-LNG applies to the PG&E experimental Liquefied Natural Gas (LNG) facility located in Sacramento, California.

RATES: The following charges will apply to per therm liquefied natural gas service under this rate schedule:

Liquefaction Charge (Per Therm): \$0.15501 (l)

LNG Gallon Equivalent: \$0.12711 (l)
(Conversion factor - One LNG Gallon = 0.82 Therms)

METERING: For metering and billing purposes, the number of LNG gallons dispensed will be compiled from a summary of transactions recorded at the dispensing unit for the Customer during a calendar month. Delivery and custody transfer of LNG shall be at the point where LNG is dispensed into the Customer's LNG transport vehicle. LNG will be weighed and converted to LNG gallons. Vehicles must be weighed at an authorized weigh station prior to receiving LNG and again after filling. Weight information must be provided to PG&E within 5 business days. LNG gallons delivered will be converted to therms and billed. LNG usage that occurs during a billing period, but which is not recorded in that billing period, will be deferred to a future billing period.

The rate includes local transportation costs from the PG&E Citygate to the LNG Facility. These charges do not include transportation service on PG&E's Backbone Transmission System, which must be arranged for separately

See Preliminary Statement, Part B for the default tariff rate components.

LNG COMPOSITION: The resulting LNG product delivered will contain amounts equal to or greater than ninety-six percent (96%) methane and amounts equal to or less than four percent (4%) ethane.

SERVICE AGREEMENT: The Customer must execute a Natural Gas Service Agreement (NGSA) Form No. 79-756 to receive service under this schedule.

NOMINATIONS: Customers who take service under this schedule must arrange for the delivery of natural gas to the PG&E LNG facility in quantities necessary to equal the amount of LNG fuel dispensed to the customer. Nominations are required for gas transported under this schedule. See Rule 21 for details.

* PG&E's gas tariffs are on-line at www.pge.com.

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Part AR	Demand-Side Management Tax Change Memorandum Account.....	16502-G	
Part AS	Not Being Used		
Part AT	Not Being Used		
Part AU	Allocation of Residual Costs Memorandum Account.....	19933,19934-G	
Part AV	Capital Audit Consultant Cost Memorandum Account.....	20432-G	
Part AW	Self-Generation Program Memorandum Account.....	23284-G	(T)
Part AX	Food Service Technology Center Memorandum Account	20987-G	
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Part AZ	El Paso Turned-Back Capacity Balancing Account		(D)
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Part D	Purchased Gas Account	23263,23264,23265-G	(T)
Part E	Not Being Used		
Part F	Core Fixed Cost Account	23266,23267,23268-G	(T)
Part G	Not Being Used		
Part H	Not Being Used		
Part I	Noncore Brokerage Fee Balancing Account		(D)
Part J	Noncore Customer Class Charge Account	23269,23270,23271-G	(T)
Part K	Enhanced Oil Recovery Account	23272-G	
Part L	Balancing Charge Account	23273,23274-G	(T)
Part M	Core Subscription Phase-Out Account	18456-G	
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Part O	CPUC Reimbursement Fee	22033-G	
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Part Q	Affiliate Transfer Fees Account.....	23275-G	(T)
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Part U	Core Brokerage Fee Balancing Account.....	23276-G	(T)
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Part AA	Not Being Used		
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Part AE	Core Pipeline Demand Charge Account	23278,23279,21362-G	(T)
Part AF	Not Being Used		
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G-NAS	Negotiated As-Available Storage Service.....	22900-G
G-CFS	Core Firm Storage.....	22901,22147,22148,22149-G
G-AFT	Annual Firm Transportation On-System.....	22175,22902,22903-G
G-AFTOFF	Annual Firm Transportation Off-System.....	22055,22904,22057-G
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G-AA	As-Available Transportation On-System.....	22179,22906-G
G-AAOFF	As-Available Transportation Off-System.....	22907,22908,18150-G
G-NFT	Negotiated Firm Transportation On-System.....	22181,22909,22910-G
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Pacific Gas and Electric Company
Biennial Cost Allocation Proceeding

Workpapers

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TABLE 1

Advice 2646-G

PACIFIC GAS AND ELECTRIC COMPANY
PG&E's BIENNIAL COST ALLOCATION PROCEEDING A.04-07-044
TOTAL REVENUE REQUIREMENT AND PUBLIC PURPOSE PROGRAM AUTHORIZED AMOUNTS - JULY 1, 2005
PERIOD: JULY 1, 2005 THROUGH JUNE 30, 2007
(D.05-06-29 - AS CORRECTED JUNE 20, 2005)
\$(000)

Line No.		TOTAL PERIOD	ANNUAL	Line No.
	PROCUREMENT REVENUE REQUIREMENT			
1	Gas Supply Portfolio Costs:			1
2	Sales Commodity Costs	\$3,681,253	\$1,840,627	2
3	Shrinkage Commodity Costs	\$121,481	\$60,741	3
4	Core Carrying Cost on Cycled Gas in Storage	\$3,324	\$1,662	4
5	Capacity Costs:			5
6	Gas Transmission Northwest Capacity Costs	\$113,468	\$56,734	6
7	Canadian Capacity Costs	\$86,639	\$43,320	7
8	Intrastate Capacity Costs	\$96,928	\$48,464	8
9	El Paso Capacity Costs	\$41,875	\$20,938	9
10	Transwestern Capacity Costs	\$44,107	\$22,053	10
11	Storage Costs:			11
12	Core Storage	\$79,598	\$39,799	12
13	Core Carrying Cost on Noncycled Gas in Storage	\$3,378	\$1,689	13
14	Total Forecast Period Costs for Procurement	\$4,272,051	\$2,136,025	14
15	Procurement Account Balances	\$0	\$0	15
16	Franchise Fees and Uncollectible Accounts Expense	\$48,260	\$24,130	16
17	Brokerage Fees	\$17,963	\$8,982	17
18	Total Procurement Revenue Requirement	\$4,338,274	\$2,169,137	18
19	Less Procurement Revenues at Present Rates	\$4,338,274	\$2,169,137	19
20	Shortfall in Collecting Authorized RRQ Given Current Rates¹	\$0	\$0	20
21				21
22				22
23	TRANSPORTATION REVENUE REQUIREMENT			23
24				24
25	Base Revenue Amount (incl. F&U)			25
26	Distribution	\$1,894,246	\$947,123	26
27	EOR Credit to Base	\$0	\$0	27
28	Brokerage Fee Credit	(\$17,963)	(\$8,982)	28
29	Natural Gas Vehicle Expenses ²	\$7,677	\$3,838	29
30	CPUC Fee Expenses	\$0	\$0	30
31	Total Forecast Period Costs for Transportation	\$1,883,960	\$941,979	31
32	Transportation Account Balances	\$239,898	\$119,949	32
33	Franchise Fees and Uncollectible Accounts Expense	\$2,806	\$1,403	33
38	Total Transportation Revenue Requirement	\$2,126,664	\$1,063,332	38
39	Less PPP-CARE Shortfall Collected in PPP-CARE Rates (1/2005) ³	\$160,063	\$80,032	39
40	Less PPP-CARE Shortfall Not Collected in Proposed Rates	(\$128)	(\$64)	40
41	Net Transportation Revenue Requirement Collected in Proposed Rates	\$1,966,729	\$983,364	41
42	Less Transportation Revenues at Present Rates	\$1,872,456	\$936,228	42
43	Shortfall in Collecting Authorized RRQ Given Current Rates¹	\$94,273	\$47,136	43
44				44
45				45
46	PUBLIC PURPOSE PROGRAM AUTHORIZED AMOUNTS (excludes F&U)³			46
47				47
48	Energy Efficiency ⁴	\$41,698	\$20,849	48
49	Low Income Energy Efficiency ⁵	\$58,384	\$29,192	49
50	Research Development and Demonstration ⁶	\$0	\$0	50
51	CARE Administrative Expense ⁷	\$3,215	\$1,607	51
52	CARE Shortfall in Rates (1/2005)	\$160,063	\$80,032	52
53	BOE/CPUC Gas Surcharge Administration Costs ⁸	\$347	\$174	53
54	Total Forecast Period Costs for Public Purpose	\$263,707	\$131,853	54
55	Public Purpose Account Balances ⁹	\$37,584	\$18,792	55
56	Total Public Purpose Revenue Requirement	\$301,291	\$150,645	56
57	Less Public Purpose Revenues at Present Rates	\$301,291	\$150,645	57
58	Shortfall in Collecting Authorized Amounts Given Current Surcharge Rates¹	\$0	\$0	58
59				59
60	TOTAL CHANGE IN REVENUE REQUIREMENT¹	\$94,273	\$47,136	60

1. This includes the change in authorized amounts and the change compared to revenues at present rates.

2. The Natural Gas Vehicle expense is set at the annual funding level approved in D. 03-10-086, adjusted for current year dollars, and from the amount included in unchanged rates effective 7-1-04.

3. This amount will be recovered in the gas PPP surcharge.

4. D. 03-12-060 and D. 04-02-059 adopted a two year budget of \$240,956,000, plus carryover funds from prior program years, for PG&E's 2004 and 2005 Energy Efficiency Programs, effective January 1, 2004. The annual EE budget allocated to PG&E's gas department is \$12,888,000. On December 7, 2004, the Commission issued D. 04-12-019 authorizing an increase in gas EE for 2005 of \$7,960,700.

5. D. 03-11-020 approved a total annual Low Income Energy Efficiency (LIEE) budget of \$56,530,000 for PG&E. The allocation of the LIEE budget to PG&E's gas department is \$29,192,000.

6. PG&E's 2005 allocation of RD&D is \$5,219,487 offset by \$5,519,408 already sent to BOE for RD&D in 2001-2003 per D. 04-08-010.

7. The CARE administrative budget allocated to PG&E's gas department in D. 02-09-021 is \$1,607,287.

8. BOE administrative costs are included in gas PPP surcharge rates pursuant to D. 04-08-010.

9. The balances are the amounts included in the gas PPP surcharge effective January 1, 2005, filed in AL 2585-G/G-A.

TABLE 2

Advice 2646-G

PACIFIC GAS AND ELECTRIC COMPANY
PG&E's BIENNIAL COST ALLOCATION PROCEEDING A.04-07-044
BALANCING ACCOUNT SUMMARY
(D. 05-06-029 - AS CORRECTED JUNE 20, 2005)
\$(000)

<u>Line No.</u>	PROCUREMENT BALANCING ACCOUNTS ¹		<u>Line No.</u>
1	PGA: Core Subaccount	\$0	1
2	Core Shrinkage Subaccount	\$0	2
3	Core Firm Storage Account	\$0	3
4	Core Demand Charge Subaccount of CPDCA	\$0	4
7			7
8	Sum of Procurement Balancing Accounts	\$0	8
9			9
10			10
11	TRANSPORTATION BALANCING ACCOUNTS ²		11
12			12
13	Core Fixed Cost Account	\$137,089	13
14	CFCA 2004 COC Distribution RRQ Adjustment	(\$14,787)	14
15	CFCA 2004 COC Transmission RRQ Adjustment	(\$4,619)	15
16	NC Customer Class Charge (Industrial Distribution Subaccount)	(\$5,463)	16
17	NC Customer Class Charge (Industrial Transmission Subaccount)	(\$6,457)	17
18	NC Customer Class Charge (Noncore Subaccount)	\$475	18
19	NC Customer Class Charge (Noncore Subaccount) 2004 COC Tran. Adj	(\$5,902)	19
20	NC Customer Class Charge (Interim Rate Relief)	\$3,364	20
21	NC Customer Class Charge (Interim Rate Relief) 2004 COC Dist. Adj	(\$621)	21
22	Enhanced Oil Recovery Account	\$84	22
23	Core Brokerage Fee Balancing Account	\$37	23
24	Natural Gas Vehicle Balancing Account	(\$6,592)	24
25	Hazardous Substance Balance	\$12,503	25
26	Core Transport Interstate Transition Subaccount	\$1,174	26
27	Balancing Charge Account	(\$4,041)	27
28	Affiliate Transfer Fee Account	(\$102)	28
29	Customer Energy Efficiency Incentive Recovery Account - Gas	\$571	29
30	EI Paso Settlement Memorandum Account ³	(\$1,039)	30
31	Self-Generation Program Memorandum Account ⁴	\$14,852	31
32	Core-subscription Phase-Out Account ⁵	(\$577)	32
33			33
34	Sum of Transportation Balancing Accounts	\$119,949	34
35			35
36			36
37	PUBLIC PURPOSE PROGRAM BALANCING ACCOUNTS ⁶		37
38			38
39	PPP - Energy Efficiency	\$468	39
40	PPP - Low Income Energy Efficiency	\$1,060	40
41	PPP - Research Development and Demonstration	\$0	41
42	California Alternate Rates for Energy Account	\$17,264	42
43			43
44	Sum of Public Purpose Program Balancing Accounts	\$18,792	44
45			45
46			46
47	TOTAL BALANCING ACCOUNTS	\$138,741	47

1. Procurement balancing account balances are updated monthly with core procurement rates pursuant to D. 97-10-065.

2. Transportation balancing account balances were updated in the Annual Gas True-up effective 01-01-05 in AL 2589-G, AL 2600-G and AL 2601-G, except as noted.

3. The balance in this account is being returned to core transport customers as an "EI Paso Settlement Credit" pursuant to AL 2502-G-A, effective 1-1-05.

4. The BCAP includes a proposal to amortize the Self-Generation Program Memorandum Account balance in rates. The balance has been updated to reflect an increase in authorized EE amounts allocated to gas for 2005.

5. The BCAP includes a proposal to refund the Core-subscription Phase-Out Account balance to core subscription customers.

6. These balances were included in the 2005 Gas PPP Surcharge, Advice Letter 2585-G/G-A.

TABLE 5-A
PACIFIC GAS AND ELECTRIC COMPANY
2005 BIENNIAL COST ALLOCATION PROCEEDING (APPLICATION 04-07-044)
IMPLEMENTATION OF D.05-06-029 WITH AUTHORIZED CORRECTIONS
ILLUSTRATIVE CLASS AVERAGE GAS RATES Including G-PPPS (\$/th)

Line No.	<u>Customer Class</u>	<u>Present Rates</u> Effective 3/1/2005 (A)	<u>Proposed Rates</u> 7/1/2005 (B)	<u>% Change</u> (b) (C)
BUNDLED - Retail Core (a)				
1	Residential Non-CARE	\$1.158	\$1.179	1.8%
2	Residential CARE	\$.903	\$.928	2.8%
3	Small Commercial	\$1.079	\$1.079	-0.1%
4	Large Commercial	\$.878	\$.832	-5.3%
TRANSPORTATION ONLY - Retail Core (a) (b) (c)				
5	Residential Non-CARE	\$.432	\$.453	4.7%
6	Residential CARE	\$.177	\$.202	14.1%
7	Small Commercial	\$.357	\$.358	0.0%
8	Large Commercial	\$.191	\$.144	-24.3%
TRANSPORTATION ONLY - Retail Noncore (a) (b)				
9	Industrial - Distribution (G-NT-D)	\$.121	\$.116	-4.2%
10	Industrial - Transmission (G-NT-T)	\$.042	\$.044	4.7%
11	Industrial - Backbone (G-NT-BB)	\$.024	\$.025	4.4%
12	Electric Generation - Transmission (G-EG-D/T)	\$.016	\$.019	17.6%
13	Electric Generation - Backbone (G-EG-BB)	\$.001	\$.004	193.5%
TRANSPORTATION ONLY - Wholesale Core and Noncore (a) (b)				
14	Alpine Natural Gas	\$.024	\$.026	8.8%
15	Coalinga	\$.023	\$.025	9.1%
16	Island Energy	\$.043	\$.045	4.8%
17	Palo Alto	\$.016	\$.018	12.7%
18	West Coast Gas - Castle	\$.044	\$.054	23.7%
19	West Coast Gas - Mather-D	\$.024	\$.037	57.3%
20	West Coast Gas - Mather-T	\$.024	\$.026	8.7%

- (a) Rates are rounded to 3 decimals for viewing ease. Percentage rate changes are calculated on a 5-digit basis.
(b) Class average transportation rates exclude intrastate backbone transmission and storage charges.
(c) Core Transportation rates do not include the El Paso Settlement credit of \$0.019 ther term applicable to G-CT customers.

TABLE 6-B
PACIFIC GAS AND ELECTRIC COMPANY
2006 BIENNIAL COST ALLOCATION PROCEEDING (APPLICATION 04-07-044)
IMPLEMENTATION OF D.05-06-029 WITH AUTHORIZED CORRECTIONS
SUMMARY OF RATES BY MAJOR COMPONENT
(\$/kwh; illustrative)

	Core Retail			Noncore Retail			Wholesale								
	Non-CARE Residential	SmI Com.	Lg. Comm.	Distribution	Industrial Transmission	BB-Level Serv.	Dist./Trans.	Electric Generation	Coalinga	Palo Alto	WC Gas Distribution	WC Gas Mather Transmission	Island Energy	Alpine	WC Gas Castle
TRANSPORTATION CHARGE COMPONENTS															
1 Local Transmission (1)	\$.3410	\$.3410	\$.3410	\$.1474	\$.1474	\$.1474	\$.1474	\$.1474	\$.1474	\$.1474	\$.1474	\$.1474	\$.1474	\$.1474	\$.1474
2 Customer Class Charge (2)	\$.4427	\$.3210	\$.0763	(\$.0910)	(\$.0327)	(\$.0327)	(\$.0327)	\$.0198	\$.0198	\$.0192	\$.0192	\$.0192	\$.0192	\$.0192	\$.0192
3 CPUC Fee (3)	\$.0000	\$.0000	\$.0000	\$.0000	\$.0000	\$.0000	\$.0000	\$.0000	\$.0000						
4 Distribution - Annual Average	\$ 3.3330	\$ 2.0125	\$.5534	\$ 7.428	\$.0434	\$.0145	\$.0145	\$.0145	\$.0145		\$ 1.146				\$.0829
5 VOLUMETRIC RATE - Average Annual	\$ 4.1167	\$ 2.6746	\$.9707	\$ 7.992	\$.1581	(\$.0327)	\$.1818	\$.0344	\$.1666	\$.1666	\$.2812	\$.1666	\$.1666	\$.1666	\$ 2.495
6 CUSTOMER ACCESS CHARGE - Class Average (4)	\$.5391	\$.0478	\$.0206	\$.0748	\$.0206	\$.0206	\$.0091	\$.0091	\$.0814	\$.0167	\$.0899	\$.0899	\$.2798	\$.0892	\$.2914
7 CLASS AVERAGE TRANSPORTATION RATE	\$ 4.1167	\$ 3.2136	\$ 1.0185	\$ 8.739	\$ 1.787	(\$.0121)	\$ 1.908	\$.0434	\$ 2.480	\$ 1.833	\$ 3.711	\$ 2.565	\$ 4.464	\$ 2.558	\$ 5.410
8 G-PUBLIC PURPOSE PROGRAM SURCHARGE/TAX (6)	\$.4124	\$.3615	\$.4245	\$.2876	\$.2648	\$.2648									
9 END-USE RATE	\$ 4.5291	\$ 3.5751	\$ 1.4430	\$ 1.1615	\$.4435	\$.2527	\$.1908	\$.0434	\$ 2.480	\$ 1.833	\$ 3.711	\$ 2.565	\$ 4.464	\$ 2.558	\$ 5.410
10 INTRASTATE BACKBONE TRANSMISSION															
AFT BAJA INTRASTATE @ 100% Load Factor (6)				\$.2781	\$.2781	\$.2781	\$.2781	\$.2781	\$.2781	\$.2781	\$.2781	\$.2781	\$.2781	\$.2781	\$.2781
11 AFT REDWOOD INTRASTATE @ 100% Load Factor (6)				\$.3082	\$.3082	\$.3082	\$.3082	\$.3082	\$.3082	\$.3082	\$.3082	\$.3082	\$.3082	\$.3082	\$.3082
12 PROCUREMENT (Illustrative) - Bundled Retail Core Service Only (7)															
Core Intrastate Backbone Transmission (8)	\$.1651	\$.1541	\$.0820												
13 Interstate Pipeline Demand Charge	\$.3420	\$.3193	\$.1698												
14 Procurement-Other (incl. Illust. Avg. WACOG)	\$ 6.6167	\$ 6.6064	\$ 6.5383												
15 Storage (9)	\$.1390	\$.1329	\$.0846												
16 PROCUREMENT CHARGE	\$ 7.2629	\$ 7.2127	\$ 6.8747												
17 TOTAL TRANSPORT RATE W/ AFT BAJA				\$ 1.1520	\$.4568	\$.2660	\$.4689	\$.3215	\$.5261	\$.4614	\$.6492	\$.7245	\$.5339	\$.6191	
18 TOTAL TRANSPORT RATE W/ AFT REDWOOD				\$ 1.1821	\$.4869	\$.2961	\$.4990	\$.3516	\$.4090	\$.3443	\$.5321	\$.6074	\$.4168	\$.7020	

NOTES

- Decision 04-12-050, Table 11; updated by Advice Letter 2601-G
- Based on the 2005 True-Up balances.
- Resolution M-4813, effective January 1, 2005.
- Decision 04-12-050, Table 14, updated by Advice Letter 2601G-A
- Decision 04-08-010 ordered the removal of PPP from transportation rates. March 1, 2005 PG&E began to treat PPP as a tax. AL 2585-G-A updated the PPP surcharges for 2005.
- Decision 04-12-050, Tables 3 & 4, updated by Advice Letter 2601-G
- From Table 3, Procurement Rates.
- Decision 04-12-050. Rates are based on a forecast of total backbone reservation costs for all transmission paths, allocated to customer classes based on average year January throughput (D 01-11-001). See Table 3, Procurement Rates
- Core Storage costs adopted in Decision 04-12-050 are allocated to customer classes based on average year January throughput (D 01-11-001). See Table 3, Procurement Rates

**TABLE 5-C
PACIFIC GAS AND ELECTRIC COMPANY
2005 BIENNIAL COST ALLOCATION PROCEEDING (APPLICATION 04-07-044)**

**IMPLEMENTATION OF D.05-06-029 WITH AUTHORIZED CORRECTIONS
ALLOCATION OF PROCUREMENT COSTS BY CLASS (illustrative two year totals; \$000)**

LINE No.		CORE			NGV	TOTAL
		Residential	Sm Comrcl	Lrg Comrcl		
1	TOTAL VOLUMES (mth)	4,291,006	1,496,255	171,268	29,292	5,987,821
2	ILLUSTRATIVE WACOG (\$/therm)	\$61479	\$61479	\$61479	\$61479	\$61479
3	WACOG REVENUE (\$ 000)	\$2,638,067	\$919,883	\$105,294	\$18,008	\$3,681,253
4	INTRASTATE BACKBONE CAPACITY (INCLUDES FF&U)	\$70,861	\$23,064	\$1,404	\$151	\$95,480
5	INTERSTATE PIPELINE CAPACITY	\$146,766	\$47,770	\$2,908	\$312	\$197,755
6	CANADIAN CHARGES	\$64,300	\$20,929	\$1,274	\$137	\$86,639
7	BROKERAGE FEES INCL F&U	\$12,873	\$4,489	\$514	\$88	\$17,963
8	SHRINKAGE REVENUE	\$87,056	\$30,356	\$3,475	\$594	\$121,481
9	CARRYING COST ON CYCLED GAS IN STORAGE	\$2,332	\$813	\$93	\$16	\$3,254
10	CORE STORAGE BASE REVENUE INCLUDING FF&U (000's)	\$57,219	\$19,074	\$1,390	\$229	\$77,912
11	CARRYING COST ON NONCYCLED GAS IN STORAGE (000's)	\$2,428	\$809	\$59	\$10	\$3,306
12	FRANCHISE FEES AND UNCOLLECTIBLES EXPENSE	\$34,615	\$12,012	\$1,332	\$225	\$48,183
13	TOTAL PROCUREMENT REVENUES	\$3,116,517	\$1,079,200	\$117,742	\$19,769	\$4,333,228
14	F&U FACTOR	1.17890%	1.17890%	1.17890%	1.17890%	

**ILLUSTRATIVE PROCUREMENT RATES (first year rates; \$/therm)
(residential/small commercial after being de-averaged by 40 %)**

LINE No.		CORE			NGV	Avg. Rate
		Residential	Sm Comrcl	Lrg Comrcl		
1	ILLUSTRATIVE WACOG	\$61479	\$61479	\$61479	\$61479	\$61479
2	INTRASTATE CAPACITY CHARGE	\$01651	\$01541	\$00820	\$00514	\$01595
3	INTERSTATE CAPACITY CHARGE WITH FF&U	\$03420	\$03193	\$01698	\$01065	\$03303
4	CANADIAN CAPACITY CHARGE	\$01498	\$01399	\$00744	\$00467	\$01447
5	BROKERAGE FEE RATE	\$00300	\$00300	\$00300	\$00300	\$00300
6	SHRINKAGE RATE	\$02029	\$02029	\$02029	\$02029	\$02029
7	CARRYING COST ON CYCLED GAS IN STORAGE	\$00054	\$00054	\$00054	\$00054	\$00054
8	CORE STORAGE BASE REVENUE INCLUDING FF&U (000's)	\$01333	\$01275	\$00812	\$00782	\$01301
9	CARRYING COST ON NONCYCLED GAS IN STORAGE (000's)	\$00057	\$00054	\$00034	\$00033	\$00055
10	FRANCHISE FEES AND UNCOLLECTIBLES EXPENSE	\$00807	\$00803	\$00777	\$00767	\$00805
11	PROCUREMENT RATE	\$72629	\$72127	\$68747	\$67490	\$72368

TABLE 5-D
PACIFIC GAS AND ELECTRIC COMPANY
2005 BIENNIAL COST ALLOCATION PROCEEDING (APPLICATION 04-07-044)
IMPLEMENTATION OF D.05-06-029 WITH AUTHORIZED CORRECTIONS
CORE RATES AND REVENUES Excluding PPP (Illustrative)

Line No.	RATE CLASS	PROPOSED RATES & REVENUES March 1, 2005 (Unbundling of PPP)			PROPOSED RATES & REVENUES July 2005			PROPOSED CHANGE IN RATES	
		ADJ. BILLING DETERMINANT	RATE OR CHARGE	TEST PERIOD REVENUE	ADJ. BILLING DETERMINANT	RATE OR CHARGE	TEST PERIOD REVENUE		
		Mth or # of Customers	\$/therm or \$/cust. mo.	(\$ 000)	Mth or # of Customers	\$/therm or \$/cust. mo.	(\$ 000)	\$/therm or \$/cust. mo.	%
		(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	ILLUSTRATIVE AVERAGES FOR BUNDLED CORE CUSTOMERS								
1	NON-CARE RESIDENTIAL	3,336,681		0	3,336,681		14,235		
2	Tier I (Baseline)	2,586,583	\$1.05339	2,724,689	2,586,583	\$1.07442	2,779,083	\$0.02103	2.00%
3	Tier II	996,354	\$1.28271	1,278,032	996,354	\$1.28931	1,284,607	\$0.00660	.51%
4	Non-CARE Subtotal	3,582,937	\$1.11716	4,002,720	3,582,937	\$1.13815	4,077,926	\$0.2099	1.88%
5	CARE RESIDENTIAL	652,920		0	652,920		0		
6	Tier I (Baseline)	510,509	\$0.83632	426,950	510,509	\$0.86314	440,642	\$0.2682	3.21%
7	Tier II	190,598	\$1.01532	193,519	190,598	\$1.03727	197,703	\$0.2195	2.16%
8	CARE Subtotal	701,108	\$0.88498	620,469	701,108	\$0.91048	638,344	\$0.2550	2.88%
9	Pre-GS/GT Discount Residential Subtotal	4,284,045	\$1.07916	4,623,189	4,284,045	\$1.10089	4,716,270	\$0.2173	2.01%
10	GS and GT Discount			-13,237			-19,857		
11	TOTAL BUNDLED RESIDENTIAL	4,284,045	\$1.07607	4,609,953	4,284,045	\$1.09626	4,696,412	\$0.2018	1.88%
12	SMALL COMMERCIAL (G-NR1)								
	Customer Charge (Average)	202,012	\$11.52	55,829	202,012	\$16.64	80,660	\$5.12	44.48%
13	Smr Volumetric Tier A (0-4000 th/mo.)	552,695	\$0.99865	551,951	552,695	\$0.99605	550,513	(\$0.00260)	-0.26%
14	Smr Volumetric Tier B (4001+ th/mo.)	111,536	\$0.83812	93,481	111,536	\$0.79351	88,505	(\$0.04462)	-5.32%
15	Wtr Volumetric Tier A (0-4000 th/mo.)	679,638	\$1.07001	727,222	679,638	\$1.05467	716,792	(\$0.01535)	-1.43%
16	Wtr Volumetric Tier B (4001+ th/mo.)	152,386	\$0.86807	132,282	152,386	\$0.80892	123,268	(\$0.05915)	-6.81%
17	BUNDLED SML. COMM. TOT.	1,496,255	\$1.04311	1,560,765	1,496,255	\$1.04243	1,559,737	(\$0.00069)	-0.07%
18	LARGE COMMERCIAL (G-NR2)								
	Customer Charge (Average)	226	\$150.72	818	226	\$150.72	818	\$0.00	.00%
19	Smr Volumetric Tier A (0-4000 th/mo.)	8,415	\$0.96410	8,113	8,415	\$0.96225	8,097	(\$0.00185)	-0.19%
20	Smr Volumetric Tier B (4001+ th/mo.)	93,053	\$0.80357	74,775	93,053	\$0.75971	70,693	(\$0.04387)	-5.46%
21	Wtr Volumetric Tier A (0-4000 th/mo.)	5,973	\$1.03546	6,184	5,973	\$1.02087	6,097	(\$0.01460)	-1.41%
22	Wtr Volumetric Tier B (4001+ th/mo.)	63,827	\$0.83352	53,201	63,827	\$0.77512	49,474	(\$0.05840)	-7.01%
23	BUNDLED LRG. COMM. TOT.	171,268	\$0.83548	143,092	171,268	\$0.78929	135,179	(\$0.04620)	-5.53%
24	TOTAL BUNDLED COMMERCIAL	1,667,524	\$1.02179	1,703,857	1,667,524	\$1.01643	1,694,917	(\$0.00536)	-0.52%
25	TOTAL BUNDLED CORE	5,951,569	\$1.06086	6,313,809	5,951,569	\$1.07389	6,391,329	\$0.1303	1.23%
26	TRANSPORTATION TOTALS FOR ALL CORE CUSTOMERS (excludes G-CT credit)								
26	NON-CARE RESIDENTIAL	3,347,199		0	3,347,199		14,280		
27	Tier I (Baseline)	2,597,878	\$0.32759	851,047	2,597,878	\$0.34813	904,406	\$0.2054	6.27%
28	Tier II	996,354	\$0.55691	554,878	996,354	\$0.56302	560,965	\$0.00611	1.10%
29	Non-CARE Subtotal	3,594,232	\$0.39116	1,405,924	3,594,232	\$0.41167	1,479,651	\$0.2051	5.24%
30	CARE RESIDENTIAL	654,426		0	654,426		0		
31	Tier I (Baseline)	512,126	\$1.1052	56,802	512,126	\$1.13685	70,085	\$0.2633	23.82%
32	Tier II	190,598	\$0.28952	55,183	190,598	\$0.31098	59,273	\$0.2146	7.41%
33	CARE Subtotal	702,724	\$1.59907	111,784	702,724	\$1.8408	129,358	\$0.2501	15.72%
34	Pre-GS/GT Discount Residential Subtotal	4,296,957	\$0.35321	1,517,708	4,296,957	\$0.37445	1,609,009	\$0.2125	6.02%
35	GS and GT Discount			-13,277			-19,917		
36	TOTAL TRANSPORTATION RESIDENTIAL	4,296,957	\$0.35012	1,504,432	4,296,957	\$0.36982	1,589,092	\$0.01970	5.63%
37	SMALL COMMERCIAL (G-NR1)								
	Customer Charge (Average)	216,645	\$11.52	59,873	216,645	\$16.64	86,503	\$5.12	44.48%
38	Summer Volumetric Tier A	586,928	\$0.27661	162,352	586,928	\$0.27478	161,277	(\$0.00183)	-0.66%
39	Summer Volumetric Tier B	118,445	\$1.1608	13,749	118,445	\$0.07224	8,556	(\$0.04385)	-37.77%
40	Winter Volumetric Tier A	734,564	\$0.34797	255,610	734,564	\$0.33340	244,901	(\$0.01458)	-4.19%
41	Winter Volumetric Tier B	164,702	\$0.14603	24,051	164,702	\$0.08765	14,435	(\$0.05838)	-39.98%
42	TRANSPORTATION SML. COMM. TOT.	1,604,639	\$0.32134	515,636	1,604,639	\$0.32136	515,673	\$0.00002	.01%
43	LARGE COMMERCIAL (G-NR2)								
	Customer Charge (Average)	232	\$150.72	839	232	\$150.72	839	\$0.00	.00%
44	Summer Volumetric Tier A	8,606	\$0.27661	2,380	8,606	\$0.27478	2,365	(\$0.00183)	-0.66%
45	Summer Volumetric Tier B	95,165	\$1.1608	11,047	95,165	\$0.07224	6,874	(\$0.04385)	-37.77%
46	Winter Volumetric Tier A	6,150	\$0.34797	2,140	6,150	\$0.33340	2,050	(\$0.01458)	-4.19%
47	Winter Volumetric Tier B	65,726	\$0.14603	9,598	65,726	\$0.08765	5,761	(\$0.05838)	-39.98%
48	TRANSPORTATION LRG. COMM. TOT.	175,647	\$1.4805	26,004	175,647	\$1.0185	17,889	(\$0.04620)	-31.21%
49	TOTAL TRANSPORTATION COMMERCIAL	1,780,285	\$0.30424	541,640	1,780,285	\$0.29971	533,563	(\$0.00454)	-1.49%
50	TOTAL TRANSPORTATION CORE	6,077,242	\$0.33668	2,046,072	6,077,242	\$0.34928	2,122,654	\$0.76583	3.74%

TABLE 5-E
PACIFIC GAS AND ELECTRIC COMPANY
2005 BIENNIAL COST ALLOCATION PROCEEDING (APPLICATION 04-07-044)
IMPLEMENTATION OF D.05-06-029 WITH AUTHORIZED CORRECTIONS
SEASONAL VOLUMETRIC RATES FOR DISTRIBUTION SERVICE CUSTOMERS

Class	Rate Component	Rates (\$/th)			Winter to Summer Ratio
		Summer	Winter	Average	
CORE	Small Commercial	Distribution Only	\$.22714	\$.20125	1.35
		Total Volumetric	\$1.00966	\$.98852	1.05
	Large Commercial	Distribution Only	\$.06535	\$.05534	1.35
		Total Volumetric	\$.79614	\$.78451	1.03
NONCORE	Industrial Distribution	Tier 1	\$.13436	\$.11739	1.35
		Tier 2	\$.08652	\$.07541	1.35
		Tier 3	\$.07901	\$.06798	1.35
		Tier 4	\$.07574	\$.06409	1.35
		Tier 5	\$.00434	\$.00434	1.00
	Total Volumetric	Tier 1	\$.13393	\$.16876	1.26
		Tier 2	\$.09849	\$.12092	1.23
		Tier 3	\$.09292	\$.11341	1.22
		Tier 4	\$.09050	\$.11014	1.22
		Tier 5	\$.01581	\$.01581	1.00

Notes:

Rates exclude monthly customer charge.
Total core volumetric rates include distribution, bundled storage, backbone and local transmission, customer class charge, illustrative procurement and public purpose program surcharge.
Core commercial rates are the weighted average of Tier A and Tier B seasonal rates.
Noncore Distribution rates are the distribution-only cost components.
Noncore Total Volumetric rates include distribution, customer class charge, public purpose program surcharge and local transmission.

TABLE 6-F
PACIFIC GAS AND ELECTRIC COMPANY
2006 BIENNIAL COST ALLOCATION PROCEEDING (APPLICATION 04-07-044)

IMPLEMENTATION OF D.06-06-029 WITH AUTHORIZED CORRECTIONS
MONTHLY CHARGES AND MINIMUM TRANSPORTATION BILLS (\$) PER ACCOUNT

RESIDENTIAL CLASS	<u>Monthly Average</u>	<u>Daily Equivale</u>
MINIMUM TRANSPORTATION BILL		
Non-CARE G-1 (Individually Metered)	\$3.00	\$0.09863
CARE G-1 (Individually Metered)	\$0.00	\$0.00000

SMALL COMMERCIAL CLASS	<u>Monthly Average</u>	<u>Daily Equivale</u>
Customer Charge Tier		
TIER 1	\$8.23	\$0.27048
TIER 2	168	\$0.52106
TIER 3	500	\$0.95482
TIER 4	501	\$1.66489
TIER 5	1,251	\$2.14936
	3,750	
	3,751	
	167	
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	1,250	
	1,251	
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TABLE 5-G
PACIFIC GAS AND ELECTRIC COMPANY
2005 BIENNIAL COST ALLOCATION PROCEEDING (APPLICATION 04-07-044)

IMPLEMENTATION OF D.05-06-029 WITH AUTHORIZED CORRECTIONS
CORE NATURAL GAS VEHICLE RATES AND REVENUES (EXPERIMENTAL CLASSES)

Line No.	Rate Class	PROPOSED RATES & REVENUES March 1, 2005 (Unbundling of PPP)			PROPOSED RATES & REVENUES July 2005			PROPOSED CHANGE IN RATES	
		Adj Billing Determinant	RATE OR CHARGE	TEST PERIOD REVENUE	Adj Billing Determinant	RATE OR CHARGE	TEST PERIOD REVENUE	Change	%
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
	# of Cust. or Mth	\$/therm or \$/cust. mo.	\$ (000)	# of Cust. or Mth	\$/therm or \$/cust. mo.	\$ (000)	\$/therm or \$/cust. mo.	%	
1	G-NGV1 Customer Charge	137	\$13.42	\$44	137	\$13.42	\$44	\$.00	0.00%
2	Volumetric Rate	25,349	\$.88331	\$22,391	25,349	\$.73618	\$18,661	(\$.14713)	-16.66%
3	G-NGV1	25,349	\$.88504	\$22,435	25,349	\$.73792	\$18,705	(\$.14713)	-16.62%
4	G-NGV2 Customer Charge	882		\$0	882	\$.00	\$0	\$.00	0.00%
5	Volumetric Rate	3,943	\$1.44599	\$5,702	3,943	\$1.41997	\$5,599	(\$.02603)	-1.80%
4	Volumetric Rate	3,943	\$1.44599	\$5,702	3,943	\$1.41997	\$5,599	(\$.02603)	-1.80%
5	Total Core NGV	29,292	\$.96056	\$28,137	29,292	\$.82973	\$24,305	(\$.13082)	-13.62%

Rates include an illustrative WACOG of \$0.61479 per therm

**TABLE 6-H
PACIFIC GAS AND ELECTRIC COMPANY
2006 BIENNIAL COST ALLOCATION PROCEEDING (APPLICATION 04-07-044)
IMPLEMENTATION OF D.05-06-029 WITH AUTHORIZED CORRECTIONS
ALLOCATION OF AVERAGE ANNUAL DISTRIBUTION-LEVEL REVENUE REQUIREMENT BY CUSTOMER CLASS***

Line No.	Component	(\$000)										Total Noncore & Wholesale				
		TOTAL	Residential	Small Commercial	Large Commercial	Subtotal Core	Industrial Distribution	Industrial Transmission	Electric Gen	Coalinga	Palo Alto		Alpine Natural Gas	WC Gas Mather	Island Energy	WC Gas Castle
1	Customer	546,722	486,329	54,217	1,546	542,092	3,745	185	701	0	0	0	0	0	0	4,631
2	Distribution	389,365	275,229	84,462	3,673	363,364	17,673	5,207	3,106	0	0	0	9	0	7	26,001
3	Allocation of Franchise Fees	9,141	7,437	1,354	51	8,842	209	53	37	0	0	0	0	0	0	299
4	Allocation of Uncollectibles Expense	1,895	1,541	281	11	1,833	43	11	8	0	0	0	0	0	0	62
5	Totals Before Averaging	947,123	770,537	140,313	5,280	916,130	21,670	5,456	3,851	0	0	0	9	0	7	30,993
6	Re-Allocation Due to Averaging*	(0)	(64,408)	64,408	0	(0)	0	0	0	0	0	0	0	0	0	0
7	Final Allocation of Distribution Revenue Requirement	947,123	706,129	204,721	5,280	916,130	21,670	5,466	3,861	0	0	0	9	0	7	30,993

Distribution Revenue Requirement Allocation % 74.55515% 21.61503% 0.55748% 96.72766% 2.28801% 0.57607% 0.40665% 0.00000% 0.00000% 0.00000% 0.00000% 0.00091% 0.00000% 0.00070% 0.00070% 3.27234%

ALLOCATION BY CUSTOMER CLASS OF AVERAGE ANNUAL COSTS AND BALANCES COLLECTED VIA THE CFCA AND NCA RATE COMPONENTS ON PRELIMINARY STATEMENT PART B

Line No.	Component	(\$000)										Total Noncore & Wholesale				
		TOTAL	Residential	Small Commercial	Large Commercial	Subtotal Core	Industrial Distribution	Industrial Transmission	Electric Gen	Coalinga	Palo Alto		Alpine Natural Gas	WC Gas Mather	Island Energy	WC Gas Castle
8	Core Fixed Cost Account	117,683	95,129	21,987	567	117,683	0	0	0	0	0	0	0	0	0	0
9	Noncore Customer Class Charge Account (incl. Subaccounts)	(14,605)	0	0	0	0	(3,234)	(8,075)	(3,246)	(3)	(44)	(1)	(1)	(1)	(1)	(14,605)
10	NGV expenses	3,838	1,138	425	47	1,609	140	666	1,403	1	18	1	1	0	0	2,229
11	Natural Gas Vehicle Account Balance	(6,592)	(1,954)	(730)	(80)	(2,763)	(241)	(1,144)	(2,409)	(2)	(31)	(0)	(0)	(0)	(1)	(3,829)
12	Hazardous Substance Balance	12,503	3,705	1,384	151	5,241	457	2,169	4,569	4	58	1	2	1	1	7,262
13	EOR Credit to Base Rev.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Core Brokerage Fee Credit (Gas Brokerage Costs)	(7,561)	(5,346)	(1,996)	(219)	(7,561)	0	0	0	0	0	0	0	0	0	0
15	Core Brokerage Fee Credit (Sales/Marketing Costs)	(1,421)	(1,275)	(142)	(4)	(1,421)	0	0	0	0	0	0	0	0	0	0
16	Affiliate Transfer Fee Account	(102)	(83)	(15)	(1)	(99)	(2)	(1)	(0)	0	0	0	(0)	(0)	(3)	
17	Balancing Charge Account	(4,041)	(1,198)	(447)	(49)	(1,694)	(148)	(701)	(1,477)	(1)	(19)	(0)	(0)	(0)	(2,347)	
18	G-10 Procurement Allocation	2,528	749	280	31	1,060	92	439	924	1	12	0	0	0	1,468	
19	Brokerage Fee Balance Account	37	26	10	1	37	0	0	0	0	0	0	0	0	0	
20	Self-Generation Program Memorandum Account	14,852	4,402	1,644	180	6,225	543	2,677	5,427	4	69	1	2	1	8,527	
21	Subtotals of Items Transferred to CFCA and NCA	117,120	95,295	22,398	625	118,317	(2,392)	(4,070)	5,191	4	64	1	2	1	(1,197)	
22	Re-Allocation Due to Averaging	(0)	(2,614)	2,614	0	(0)	0	0	0	0	0	0	0	0	0	
23	Alloc. After Averaging of Items Collected via the CFCA and NCA	117,120	92,681	25,012	625	118,317	(2,392)	(4,070)	5,191	4	64	1	2	1	(1,197)	
24	Franchise Fees and Uncoll. Exp. on Non-Base CFCA and NCA	1,381	1,093	295	7	1,395	(28)	(48)	61	0	1	0	0	0	(14)	
25	Subtotals with FF&U and Other Bal. Acct./Forecast Period Costs	118,501	93,773	25,307	632	119,712	(2,420)	(4,117)	5,252	4	65	1	2	1	(1,212)	
26	Total of Items Collected via CFCA and NCA	1,065,624	799,902	230,028	5,912	1,035,842	19,250	1,339	9,103	4	65	1	11	1	8	29,782

* Residential and Small Commercial Classes are 60% averaged

**PG&E Gas and Electric Advice
Filing List
General Order 96-A, Section III(G)**

ABAG Power Pool	DGS Natural Gas Services	Office of Energy Assessments
Accent Energy	DMM Customer Services	Palo Alto Muni Utilities
Aglet Consumer Alliance	Douglass & Liddell	PG&E National Energy Group
Agnews Developmental Center	Downey, Brand, Seymour & Rohwer	Pinnacle CNG Company
Ahmed, Ali	Duke Energy	PITCO
Alcantar & Elsesser	Duke Energy North America	Plurimi, Inc.
Anderson Donovan & Poole P.C.	Duncan, Virgil E.	PPL EnergyPlus, LLC
Applied Power Technologies	Dutcher, John	Praxair, Inc.
APS Energy Services Co Inc	Dynegy Inc.	Price, Roy
Arter & Hadden LLP	Ellison Schneider	Product Development Dept
Avista Corp	Energy Law Group LLP	R. M. Hairston & Company
Barkovich & Yap, Inc.	Energy Management Services, LLC	R. W. Beck & Associates
BART	Enron Energy Services	Recon Research
Bartle Wells Associates	Exelon Energy Ohio, Inc	Regional Cogeneration Service
Blue Ridge Gas	Exeter Associates	RMC Lonestar
Bohannon Development Co	Foster Farms	Sacramento Municipal Utility District
BP Energy Company	Foster, Wheeler, Martinez	SCD Energy Solutions
Braun & Associates	Franciscan Mobilehome	Seattle City Light
C & H Sugar Co.	Future Resources Associates, Inc	Sempre
CA Bldg Industry Association	G. A. Krause & Assoc	Sempre Energy
CA Cotton Ginners & Growers Assoc.	Gas Transmission Northwest Corporation	Sequoia Union HS Dist
CA League of Food Processors	GLJ Energy Publications	SESCO
CA Water Service Group	Goodin, MacBride, Squeri, Schlotz &	Sierra Pacific Power Company
California Energy Commission	Hanna & Morton	Silicon Valley Power
California Farm Bureau Federation	Heeg, Peggy A.	Simpson Paper Company
California Gas Acquisition Svcs	Hitachi Global Storage Technologies	Smurfit Stone Container Corp
California ISO	Hogan Manufacturing, Inc	Southern California Edison
Calpine	House, Lon	SPURR
Calpine Corp	Imperial Irrigation District	St. Paul Assoc
Calpine Gilroy Cogen	Integrated Utility Consulting Group	Stanford University
Cambridge Energy Research Assoc	International Power Technology	Sutherland, Asbill & Brennan
Cameron McKenna	Interstate Gas Services, Inc.	Tabors Caramanis & Associates
Cardinal Cogen	J. R. Wood, Inc	Tansev and Associates
Cellnet Data Systems	JTM, Inc	Tecogen, Inc
Chevron USA Production Co.	Kaiser Cement Corp	TFS Energy
Childress, David A.	Korea Elec Power Corp	Transwestern Pipeline Co
City of Glendale	Luce, Forward, Hamilton & Scripps	Turlock Irrigation District
City of Healdsburg	Marcus, David	U S Borax, Inc
City of Palo Alto	Masonite Corporation	United Cogen Inc.
City of Redding	Matthew V. Brady & Associates	URM Groups
CLECA Law Office	Maynor, Donald H.	Utility Cost Management LLC
Constellation New Energy	McKenzie & Assoc	Utility Resource Network
Cooperative Community Energy	McKenzie & Associates	Wellhead Electric Company
CPUC	Meek, Daniel W.	Western Hub Properties, LLC
Creative Technology	Mirant California, LLC	White & Case
Cross Border Inc	Modesto Irrigation Dist	WMA
Crossborder Inc	Morrison & Foerster	
CSC Energy Services	Morse Richard Weisenmiller & Assoc.	
Davis, Wright Tremaine LLP	Navigant Consulting	
Davis, Wright, Tremaine, LLP	New United Motor Mfg, Inc	
Defense Fuel Support Center	Norris & Wong Associates	
Department of the Army	North Coast Solar Resources	
Department of Water & Power City	Northern California Power Agency	